

SCOTTSDALE

CITY COUNCIL MEETING

AGENDA



COUNCIL

Mary Manross, Mayor

Wayne Ecton

Robert W. Littlefield

Cynthia Lukas

Ned O'Hearn

David Ortega

Tom Silverman

Monday, June 16, 2003

5:00 P.M.

CITY COUNCIL MEETING

Call to Order – City Hall Kiva Forum, 3939 N. Drinkwater Boulevard

Roll Call

Pledge of Allegiance

Invocation

Public Comment

Citizens may complete one speaker/citizen comment card per night and submit it to the City Clerk before or during this evening's meeting. Please check the box that refers to "public comment." This "Public Comment" time is reserved for citizen comments regarding non-agendized items. No official Council action can be taken on these items.

1. Land acquisition for the McDowell Sonoran Preserve

Request: Adopt Resolution No. 6317 authorizing purchase in the amount of \$195,300 (\$39,000/acre) for the 5.007-acre Parcel No. 216-59-004D, located at 30545 N. 128th Street, for the McDowell Sonoran Preserve.

Related Policies, References: The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

Staff Contact(s): Robert J. Cafarella, AICP, Director, Preservation Division, 480-312-2577, rcafarella@scottsdaleaz.gov

2. Land acquisition for the McDowell Sonoran Preserve

Request: Adopt Resolution No. 6318 authorizing purchase in the amount of \$190,100 (\$38,000/acre) for the 5.001-acre Parcel No. 216-59-005J, located at 30120 N. 130th Street, for the McDowell Sonoran Preserve.

Related Policies, References: The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

Staff Contact(s): Robert J. Cafarella, AICP, Director, Preservation Division, 480-312-2577, rcafarella@scottsdaleaz.gov

3. Land acquisition for the McDowell Sonoran Preserve

Request: Adopt Resolution No. 6306 authorizing the acquisition of real property from multiple owners north of Dixileta Drive, south of Wildcat Drive, east of 128th Steet and west of 132nd Street, for the McDowell Sonoran Preserve. The property consists of two (2) parcels totaling +/- 15.6 acres. These are the remaining unresolved parcels in this geographic area where staff has not been able to reach agreements with the owners on acquisition. Approval of Resolution 6306 will permit the city to initiate condemnation proceedings as a last resort.

Related Policies, References: This property is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

Staff Contact(s): Robert J. Cafarella, AICP, Director, Preservation Division, 480-312-2577, rcafarella@scottsdaleaz.gov

4. Intergovernmental Agreement with Scottsdale Unified School District.

Request: Adopt Resolution No. 6266, which approves IGA No. 2003-030-COS with the Scottsdale Unified School District. This funding provides drug and alcohol education and prevention services in all Scottsdale schools. This funding allows the School District to purchase services from the Scottsdale Prevention Institute (SPI) and includes services such as classroom presentations and teacher support on issues related to substance abuse. Other services provided include Peer Mediation, Violence Prevention strategies, and assessment of family issues that may require further intervention.

Related Policies, References: IGA No. 2003-039-COS

Staff Contact(s): Vicki French, Human Services Manager, (480) 312-7922, vfrench@scottsdaleaz.gov

5. Modify Field Allocation Fee Waiver and Partnership Funding Policy and implement recommendations of the Council-initiated Youth Sports Task Force

Request: Adopt Resolution No. 6322 authorizing changes to the Parks and Recreation Field Allocation Fee Waiver and Partnership Funding Policy; authorize the use of Partnership Funds for one year for maintenance of sports fields on Scottsdale School District property and initiate a \$3.00 per hour fee for sports field use by non-profit youth sports organizations of City and Scottsdale School District fields under City management.

Related Policies, References:

- Resolution No. 4646, November 1996, adopting a Parks and Recreation Division field allocation fee waiver and partnership funding policy.
- Field Allocation Fee Waiver and Partnership Funding Policy, November 1996.
- Youth Sports Task Force Report, January 2003.

Staff Contact(s): Judy Weiss, Parks, Recreation and Facilities Manager, 480-312-2416, jweiss@scottsdaleAZ.gov; Debra Baird, Parks, Recreation and Facilities Director, 480-312-2480, dbaird@scottsdaleAZ.gov; Bill Exham, Community Services General Manager, 480-312-2304, bexham@scottsdaleAZ.gov

6. Adopt Resolution No. 6307, authorizing Agreement No. 2003-111-COS, an annual financial participation agreement between the City of Scottsdale and the Scottsdale Cultural Council for FY 2003/04, in the amount of \$2,780,596.

Request: This action will authorize general fund budget support for the Scottsdale Cultural Council for FY 2003-04, allowing Cultural Council staff to continue to administer arts and cultural programs and events for the City, according to the terms of the Management Services Agreement.

Staff Contact(s): William Exham, General Manager, Community Service Department, 480-312-2377, bexham@scottsdaleaz.gov

7. Adoption of the Community Services Department Fees and Charges Resolution

Request: Adopt Resolution No. 6314 authorizing changes to the Community Services Department Guidelines for Programming Fees, and Facility Reservations and Use Costs; which establishes the program purpose and terms, provides guidelines for charge classifications and equipment use, sets fees, outlines activity formulas, and identifies related inventory.

Related Policies, References: Scottsdale Revised Code Chapter 20; Ordinance No. 2022

Staff Contact(s): Bill Exham, Community Services General Manager, 480-312-2304, bexham@scottsdaleAZ.gov

8. Engineering Services Contract with Entellus, Inc., for design of the Pima Road alignment near Ironwood Village

Request: Authorize Engineering Services Contract No. 2003-114-COS with Entellus, Inc. in the amount of \$272,995.72 for the Design Concept Report (DCR) for Pima Road Improvements (Pima Freeway to Hualapai Drive), East Union Hills Interceptor Channel Project and the Pima Road Drainage System Project. This contract will include the option to perform two additional DCRs for additional alignment alternatives for the Pima Road Project (if required) and to complete final design for the roadway and drainage projects.

Related Policies, References:

- a. Scottsdale Foothills General Plan, 1984
- b. Bond 2000 CIP
- c. City of Scottsdale General Plan, 2002
- d. Proposed Master Streets Plan, 2003

Staff Contact(s): Robert M. Johnson, CIP Coordination Manager, (480)-312-7054, rmjohnson@ci.scottsdale.az.us

9. Engineering Services Contract for the Neighborhood Stormwater Improvements Program

Request: Authorize Contract Modification to Engineering Services Contract No. 2000-165-COS, with Engineering and Environmental Consultants, Incorporated (EEC) in an amount not to exceed \$80,000.00, for the Neighborhood Stormwater Improvements Program.

Related Policies, References: City Procurement Code; 4/16/2001 Contract No. 2000-165-COS

Staff Contact(s): David Meinhart, Contract Administrator, dmeinhart@ci.scottsdale.az.us, (480) 312-7010

10. Engineering Services Contract for the Via Linda Intelligent Transportation System (ITS) fiber optic system

Request: Consider approval of Engineering Services Contract No. 2003-031-COS with Olsson & Associates, in the amount of \$86,064.50, for the design of ITS fiber optic cable and conduit to be installed along Via Linda Road connecting from the Loop 101 Freeway ITS system at the Camelback Walk to the Police Headquarters building located at Via Linda and 90th Street.

Related Policies, References:

City Code, Chapter 17-21: Cooperate with other City officials in the development of ways and means to improve traffic conditions.

Staff Contact(s): Annette Grove, Sr. Project Manager, 480-312-2399, Agrove@ci.scottsdale.az.us; Bruce Dressel, ITS Project Manager, 480-312-2358, Bdressel@ci.scottsdale.az.us

11. Engineering Services Contract for Pavement Condition Analysis and Rating

Request: Authorize Engineering Services Contract No. 2003-103-COS with Infrastructure Management Services Inc. (IMS-Terracon) in the total amount of \$228,022.50 (a multi-year contract) for pavement condition analysis and rating of City public streets.

Related Policies, References: City Council Goal C: Provide for the safe, efficient and affordable movement of people and goods.

Staff Contact(s): Rod Ramos, Field Services Manager, rros@scottsdaleaz.gov, (480) 312-5641, Alex McLaren, Construction and Design Director, amclaren@ci.scottsdale.az.us (480) 312-7099

12. Construction Bid Award for La Mirada Desert Park

Request: Authorize Construction Bid Award No. 03PB099 (consisting of the Base Bid plus Bid Alternate 1) to Archon, Inc, the lowest responsive bidder, at their lump sum bid of \$411,000.00 for construction of the final phase of La Mirada Desert Park located just east of the La Mirada Commercial Center at the northeast corner of Pinnacle Peak and Pima Roads.

Related Policies, References:

- * Council authorization of Architectural Services Contract No. 2000-147-COS for La Mirada Desert Park.
- * Design Development Review, Case # 7-UP-1998#2
- * Approval of Municipal Use Master Site Plan by the City Council on 08/21/01
- * Reciprocal Parking and Access Easement Agreement No. 2002-134-COS.

Staff Contact(s): Marek Urbanek, CPM Project Manager, (480) 312-2563, murbanek@scottsdaleaz.gov; Gary Meyer, Parks/Trails Planning Manager, (480) 312-2357, gmeyer@scottsdaleaz.gov

13. Scottsdale's Convention and Tourism Destination Marketing Program

Request: As recommended unanimously by the Tourism Development Commission at their May 20, 2003 meeting, adopt Resolution No. 6323 authorizing Bed Tax funds in the amount of \$5,025,000 for destination marketing services and to approve Contract No. 2003-100-COS, the "Marketing Services Agreement Between the City of Scottsdale and the Scottsdale Convention and Visitors Bureau, Inc." for provision of these services.

Related Policies, References: City of Scottsdale Ordinances Nos. 2045 and 2049 (as amended) provide for funding of a destination marketing program on behalf of the City and the Scottsdale Tourism Industry from the City's bed tax revenues.

Staff Contact(s): Kathy Carlisle O'Connor, Tourism Development Manager, 480-312-7057, kcoconnor@ScottsdaleAZ.gov

Regular Agenda begins on the following page

14. Engineering services contract for the design and preparation of construction plans for the Hidden Hills Access Area (Trailhead) Amenities

Request: Authorize Engineering Services Contract No. 2003-099-COS, with Dibble & Associates in the amount of \$77,900.00 to design and prepare construction plans for the Hidden Hills Access Area (Trailhead). Approval of the requested action will create the first access area to serve the Preserve.

Related Policies, References: This action directly supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and sub-goals under Goal B: Create access into the Preserve, and Create learning opportunities in the Preserve.

Staff Contact(s): Bill Peifer, Sr. Project Manager, 480-312-2399, bpeifer@scottsdaleaz.gov; Robert Cafarella, AICP, Director, 480-312-2577 rcafarella@scottsdaleaz.gov; Gary Meyer, Parks/Trail Planner, 480-312-2357, gmeyer@scottsdaleaz.gov

15. Adoption of the FY 2003/04 property tax levy and rate

Request: Adopt Ordinance #3512 setting the FY 2003/04 property tax levy and rate in accordance with Arizona Revised Statutes and the City Charter.

Staff Contact(s): Craig Clifford, General Manager, (480) 312-2364, cclifford@ScottsdaleAZ.gov
Art Rullo, Budget Director, (480) 312-2435, arullo@ScottsdaleAZ.gov

16. Adoption of 2003/04 tax levy on streetlighting districts.

Request: Adopt Ordinance No. 3514 levying upon the assessable property within each streetlighting district in Scottsdale an amount sufficient enough to provide funds to operate the districts for fiscal year 2003/2004.

Staff Contact(s): Craig Clifford, Chief Financial Officer, (480) 312-2364, cclifford@scottsdaleaz.gov

Public Comment

Citizens may complete one speaker/citizen comment card per night and submit it to the City Clerk before or during this evening's meeting. This "Public Comment" time is reserved for citizen comments regarding non-agendized items. No official Council action will be taken on these items.

City Manager's Report**Mayor and Council Items****Adjournment**

Section 2.17 of the Scottsdale City Code states, "Regular Meetings that are scheduled to be conducted on consecutive days may be combined and held on either of the two (2) days, at the election of the council, and shall be considered a single meeting." The Council may hold over any items noticed on the Monday agenda to the agenda for the Tuesday meeting.

CITY COUNCIL REPORT



MEETING DATE: 6/16/2003

ITEM NO. _____

GOAL: Preservation Character

SUBJECT

Land acquisition for the McDowell Sonoran Preserve

REQUEST

Adopt Resolution No. 6318 authorizing purchase in the amount of \$190,100 (\$38,000/acre) for the 5.001-acre Parcel No. 216-59-005J, located at 30120 N. 130th Street, for the McDowell Sonoran Preserve.

The purpose of the Preserve is to maintain the environmental character of the land, to protect scenic views, to preserve habitat for wildlife, and to provide opportunities for appropriate public access and passive recreation use. The acquisition of this 5.001-acre parcel, located in the voter-approved Recommended Study Boundary (RSB) for the Preserve, furthers numerous goals of the Preserve given its habitat, recreation, scenic and strategic value.

Related Policies, References: The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved recommended Study Boundary. The goal is to acquire sufficient land to create a large un-fragmented habitat area and a wildlife/habitat corridor and a recreation corridor between the McDowell Mountains and the County Regional Park with the natural desert open spaces to the north in Scottsdale and in the Tonto National Forest.

The McDowell Sonoran Preserve is supported by five public votes. Tax collections through April 2003 - \$106.2 million. **Preserve acquisition expenditures** - \$247 million. **Bonds issued** - \$232 million (\$134.6 million in General Obligation bonds). **Remaining private land** to consider for acquisition- 15 acres. Existing Preserve tax sufficient to pay for acquisition of this parcel.

BACKGROUND

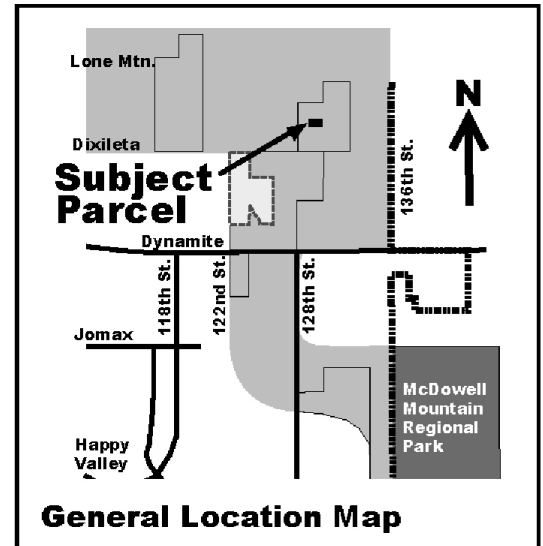
The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this parcel and others in the surrounding area as integral to creating a large un-fragmented habitat area and a natural corridor/linkage among the McDowell Mountains, McDowell Mountain Regional Park, Tonto National Forest and planned Preserve land north of Dynamite Boulevard. The

McDowell Sonoran Preserve currently consists of 10,870 acres of City-owned land.

This parcel is 5.001 acres. It is located north of Dixileta Drive, at the southwest corner of the 130th Street and Windstone Trail alignments (shown on Attachment 1. Location Map). The owners of the parcel are Richard T. and Jodi A. Marneris.

Location:

Parcel No. 216-59-005J at
30120 N. 130th Street



Acquisition of this land furthers numerous goals of the Preserve given its habitat, recreation value, scenic beauty and strategic location. The parcel has: 1. Habitat value given its location in a large un-fragmented area north of Dynamite Boulevard and within the corridor connecting natural open spaces in the south to existing and planned natural open spaces to the north, 2. Recreation value because it facilitates the creation of trail connections among the various natural open space areas, 3. Scenic value because of the lush natural desert vegetation it possesses, and 4. Strategic significance given its proximity to the State Trust land recently reclassified as suitable for conservation by the State under the Arizona Preserve Initiative.

Twenty-six appraisals and review appraisals by four different independent appraisers have been performed in the geographic area where this parcel is located. An additional forty appraisals and review appraisals were performed in an adjacent area over the past year. The City Council has approved 34 acquisitions in the vicinity of this proposed acquisition. An appraisal and a review appraisal on the parcel were completed for the city by independent appraisers on the city's list of approved appraisers (appraisal and review appraisal are in the City Clerk's Office).

ANALYSIS & ASSESSMENT

The approval of Resolution No. 6318 will enable staff to expend \$190,100 plus closing costs from the McDowell Sonoran Preserve privilege tax fund. This fund was created to accumulate revenues from the .2% transaction privilege tax for the acquisition of land for the McDowell Sonoran Preserve. Sufficient funds for the acquisition are available in this fund.

The appraiser concluded a value of \$36,000 per acre- date of valuation March 2002. The review appraiser concluded this value was too low- date of review May 2002. A value of \$38,000 per acre was concluded for the parcel after reviewing the comments/justifications of both appraisers, after reviewing the appraisals for nearby parcels and after a site visit. The property owner accepted the city's offer of \$38,000 per acre. The adjacent parcels located northwest, north, east, south and southwest were valued on a per acre basis at \$39,000, \$41,000, \$36,500 (20 acre parcel) and \$38,000 respectively. All have been acquired for the Preserve. The City will pay cash for the parcel and take fee title ownership at closing.

Significant issues to be addressed. None

Community involvement. Scottsdale citizens initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert in 1990. The City Council, following a review of recommendations from the McDowell Sonoran Preserve Commission, identified land within an approximately 36,400-acre Recommended Study Boundary for inclusion in the McDowell Sonoran Preserve. Two citizen task forces, the McDowell Mountains and the Desert Preservation, have been involved in identifying land for inclusion in the Recommended Study Boundary and in identifying implementation strategies. The McDowell Sonoran Preserve Commission used the work of both task forces as a foundation for the formulation of specific implementation recommendations to the City Council.

The McDowell Sonoran Preserve is supported by five public votes. The City Council and voters have approved the specific boundary in which all acquisitions are made. The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this parcel and others in the surrounding area as integral to creating a large un-fragmented habitat area and a wildlife and recreation corridor between the McDowell Mountains and County Regional Park with the portion of the planned Preserve north of Dynamite Boulevard, and the Tonto National Forest. This area was also identified as prime habitat. The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved Recommended Study Boundary. Scottsdale residents have indicated a strong desire to maintain the Preserve for the enjoyment of this and future generations.

RESOURCE IMPACTS

The approval of Resolution No. 6318 will enable staff to expend \$190,100 plus closing costs from the McDowell Sonoran Preserve privilege tax fund. This fund was created to accumulate revenues from the .2% transaction privilege tax for the acquisition of land for the McDowell Sonoran Preserve.

Available funding. Funds are available from the existing Preserve tax to pay for acquisition of this parcel. Resolution No. 6131 enables the City to be reimbursed for funds advanced for the acquisition of this parcel, as described by

U.S. Treasury Regulation Section 1.150-2, with the intent that the City will reimburse the acquisition expenditure from subsequent bond proceeds.

Staffing, workload impact. None.

Maintenance requirements. The addition of 5.001 acres of land to the Preserve increases the amount of land the city is responsible for managing. Minimal management is required for land in the Preserve that is to remain in a natural state, is not in a planned access area, and does not have a trail planned to cross it.

Future budget implications. No specific expenditures or capital improvements are currently planned or scheduled for this 5.001-acre parcel.

OPTIONS & STAFF
RECOMMENDATION

Option A -- Do not acquire this parcel for the Preserve: If the property is not acquired for the Preserve a private property will be surrounded by City-owned Preserve land. Private development on the property would require access across the Preserve. Preserve funds would be saved if the City did not acquire this property.

Option B -- Authorize staff to proceed with the acquisition at the agreed on purchase price of \$38,000 per acre: This option would approve Resolution No. 6318 and authorize staff to proceed with the acquisition based on the agreed on price.

Option C -- Direct staff to negotiate a different price or terms with the owner: This option would mean the Council directs staff to offer the owner a price different from the agreed on \$38,000 per acre. An acquisition below \$38,000 per acre that was accepted by the property owner would save the city funds.

Option D -- Reject the agreed upon acquisition price and direct staff to initiate condemnation: This option would direct staff to initiate condemnation to acquire the property for the Preserve. The City would incur legal and other costs to process the condemnation, and face uncertainty regarding the trend in raw land prices in this part of Scottsdale until the city is granted possession of the parcel.

Recommended Approach: Adopt Resolution No. 6318 authorizing purchase in the amount of \$190,100 (\$38,000 per acre) for the 5.001-acre Parcel No. 216-59-005J for the McDowell Sonoran Preserve. The proposed acquisition value is the value established by staff and accepted by the owner based on an analysis of the appraisals prepared for the subject and for other parcels in the immediate area, and field work.

Proposed Next Steps: If City Council approves the acquisition staff will proceed with close of escrow.

RESPONSIBLE DEPT.

Preservation Division

STAFF CONTACTS

Robert J. Cafarella, AICP, Director, Preservation Division
480-312-2577 rcafarella@ci.scottsdale.az.us

APPROVED BY

Name

Date

Robert J. Cafarella, AICP, Director, Preservation Division

Name

Date

Ed Gawf, Deputy City Manager

ATTACHMENTS

1. Location Map
2. Resolution No. 6318

CITY COUNCIL REPORT



MEETING DATE: 6/16/2003

ITEM NO. _____

GOAL: Preservation Character

SUBJECT

Land acquisition for the McDowell Sonoran Preserve

REQUEST

Adopt Resolution No. 6317 authorizing purchase in the amount of \$195,300 (\$39,000/acre) for the 5.007-acre Parcel No. 216-59-004D, located at 30545 N. 128th Street, for the McDowell Sonoran Preserve.

The purpose of the Preserve is to maintain the environmental character of the land, to protect scenic views, to preserve habitat for wildlife, and to provide opportunities for appropriate public access and passive recreation use. The acquisition of this 5.007-acre parcel, located in the voter-approved Recommended Study Boundary (RSB) for the Preserve, furthers numerous goals of the Preserve given its habitat, recreation, scenic and strategic value.

Related Policies, References: The parcel is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved recommended Study Boundary. The goal is to acquire sufficient land to create a large un-fragmented habitat area and a wildlife/habitat corridor and a recreation corridor between the McDowell Mountains and the County Regional Park with the natural desert open spaces to the north in Scottsdale and in the Tonto National Forest.

The McDowell Sonoran Preserve is supported by five public votes. Tax collections through April 2003 - \$106.2 million. **Preserve acquisition expenditures** - \$247 million. **Bonds issued** - \$232 million (\$134.6 million in General Obligation bonds). **Remaining private land** to consider for acquisition- 15 acres. Existing Preserve tax sufficient to pay for acquisition of this parcel.

BACKGROUND

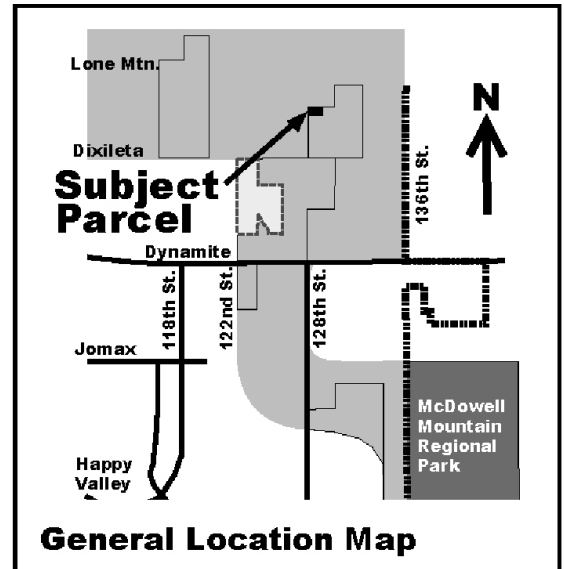
The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this parcel and others in the surrounding area as integral to creating a large un-fragmented habitat area and a natural corridor/linkage among the McDowell Mountains, McDowell Mountain Regional Park, Tonto National Forest and planned Preserve land north of Dynamite Boulevard. The

McDowell Sonoran Preserve currently consists of 10,870 acres of City-owned land.

This parcel is 5.007 acres. It is located north of Dixileta Drive, at the southeast corner of the 128th Street and Montgomery Road alignments (shown on Attachment 1, Location Map). The owners of the parcel are Richard T. and Jodi A. Marneris.

Location:

Parcel No. 216-59-004D at
30545 N. 128th Street



Acquisition of this land furthers numerous goals of the Preserve given its habitat, recreation value, scenic beauty and strategic location. The parcel has: 1. Habitat value given its location in a large un-fragmented area north of Dynamite Boulevard and within the corridor connecting natural open spaces in the south to existing and planned natural open spaces to the north, 2. Recreation value because it facilitates the creation of trail connections among the various natural open space areas, 3. Scenic value because of the lush natural desert vegetation it possesses, and 4. Strategic significance given its proximity to the State Trust land recently reclassified as suitable for conservation by the State under the Arizona Preserve Initiative.

Twenty-six appraisals and review appraisals by four different independent appraisers have been performed in the geographic area where this parcel is located. An additional forty appraisals and review appraisals were performed in an adjacent area over the past year. The City Council has approved 34 acquisitions in the vicinity of this proposed acquisition. An appraisal and a review appraisal on the parcel were completed for the city by independent appraisers on the city's list of approved appraisers (appraisal and review appraisal are in the City Clerk's Office).

ANALYSIS & ASSESSMENT

The approval of Resolution No. 6317 will enable staff to expend \$195,300 plus closing costs from the McDowell Sonoran Preserve privilege tax fund. This fund was created to accumulate revenues from the .2% transaction privilege tax for the acquisition of land for the McDowell Sonoran Preserve. Sufficient funds for the acquisition are available in this fund.

The appraiser concluded a value of \$40,000 per acre- date of valuation April 2002. The review appraiser concluded this value was high- date of review April 2002. A value of \$39,000 per acre was concluded for the parcel after reviewing the comments/justifications of both appraisers, after reviewing the appraisals for nearby parcels and after a site visit. The adjacent parcels located east, southeast, and south were valued on a per acre basis at \$41,000, \$39,000, and \$39,000 respectively. All have been acquired for the Preserve. State Trust land is located to the north and west.

The property owner accepted the city's offer of \$39,000 per acre. The parcel size as shown on the County Assessor's plat is 5.007 acres. This is the parcel size used for acquisition purposes. The appraiser had reduced the size of the parcel to 4.590 acres to reflect an undedicated easement. The City will pay cash for the parcel and take fee title ownership at closing.

Significant issues to be addressed. None

Community involvement. Scottsdale citizens initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert in 1990. The City Council, following a review of recommendations from the McDowell Sonoran Preserve Commission, identified land within an approximately 36,400-acre Recommended Study Boundary for inclusion in the McDowell Sonoran Preserve. Two citizen task forces, the McDowell Mountains and the Desert Preservation, have been involved in identifying land for inclusion in the Recommended Study Boundary and in identifying implementation strategies. The McDowell Sonoran Preserve Commission used the work of both task forces as a foundation for the formulation of specific implementation recommendations to the City Council.

The McDowell Sonoran Preserve is supported by five public votes. The City Council and voters have approved the specific boundary in which all acquisitions are made. The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this parcel and others in the surrounding area as integral to creating a large un-fragmented habitat area and a wildlife and recreation corridor between the McDowell Mountains and County Regional Park with the portion of the planned Preserve north of Dynamite Boulevard, and the Tonto National Forest. This area was also identified as prime habitat. The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved Recommended Study Boundary. Scottsdale residents have indicated a strong desire to maintain the Preserve for the enjoyment of this and future generations.

RESOURCE IMPACTS

The approval of Resolution No. 6317 will enable staff to expend \$195,300 plus closing costs from the McDowell Sonoran Preserve privilege tax fund. This fund was created to accumulate revenues from the .2% transaction privilege tax for the acquisition of land for the McDowell Sonoran Preserve.

OPTIONS & STAFF
RECOMMENDATION

Available funding. Funds are available from the existing Preserve tax to pay for acquisition of this parcel. Resolution No. 6131 enables the City to be reimbursed for funds advanced for the acquisition of this parcel, as described by U.S. Treasury Regulation Section 1.150-2, with the intent that the City will reimburse the acquisition expenditure from subsequent bond proceeds.

Staffing, workload impact. None.

Maintenance requirements. The addition of 5.007 acres of land to the Preserve increases the amount of land the city is responsible for managing. Minimal management is required for land in the Preserve that is to remain in a natural state, is not in a planned access area, and does not have a trail planned to cross it.

Future budget implications. No specific expenditures or capital improvements are currently planned or scheduled for this 5.007-acre parcel.

Option A -- Do not acquire this parcel for the Preserve: If the property is not acquired for the Preserve a private property will be surrounded by City-owned Preserve land and re-classified State Trust land. Private development on the property would require access across the Preserve. Preserve funds would be saved if the City did not acquire this property.

Option B -- Authorize staff to proceed with the acquisition at the agreed on purchase price of \$39,000 per acre: This option would approve Resolution No. 6317 and authorize staff to proceed with the acquisition based on the agreed on price.

Option C -- Direct staff to negotiate a different price or terms with the owner: This option would mean the Council directs staff to offer the owner a price different from the agreed on \$39,000 per acre. An acquisition below \$39,000 per acre that was accepted by the property owner would save the city funds.

Option D -- Reject the agreed upon acquisition price and direct staff to initiate condemnation: This option would direct staff to initiate condemnation to acquire the property for the Preserve. The City would incur legal and other costs to process the condemnation, and face uncertainty regarding the trend in raw land prices in this part of Scottsdale until the city is granted possession of the parcel.

Recommended Approach: Adopt Resolution No. 6317 authorizing purchase in the amount of \$195,300 (\$39,000 per acre) for the 5.007-acre Parcel No. 216-59-004D for the McDowell Sonoran Preserve. The proposed acquisition value is the value established by staff and accepted by the owner based on an analysis of the appraisals prepared for the subject and for other parcels in the immediate area, and field work.

Proposed Next Steps: If City Council approves the acquisition staff will proceed with close of escrow.

RESPONSIBLE DEPT.

Preservation Division

STAFF CONTACTS

Robert J. Cafarella, AICP, Director, Preservation Division
480-312-2577 (rcafarella@ci.scottsdale.az.us)

APPROVED BY

Name	Date
Robert J. Cafarella, AICP, Director, Preservation Division	

Name	Date
Ed Gawf, Deputy City Manager	

ATTACHMENTS

1. Location Map
2. Resolution No. 6317

CITY COUNCIL REPORT



MEETING DATE: 6/16/2003

ITEM NO. _____

GOAL: Preservation Character

SUBJECT

Land acquisition for the McDowell Sonoran Preserve

REQUEST

Adopt Resolution No. 6306 authorizing the acquisition of real property from multiple owners north of Dixileta Drive, south of Wildcat Drive, east of 128th Steet and west of 132nd Street, for the McDowell Sonoran Preserve.

This property is the remaining private land in the 36,400 acre Preserve boundary that has been identified for acquisition. The property consists of two (2) parcels totaling +/- 15.6 acres. This property is shown on Attachment 1. These are the remaining unresolved parcels in this geographic area where staff has not been able to reach agreements with the owners on acquisition. Approval of Resolution 6306 will permit the city to initiate condemnation proceedings as a last resort.

Related Policies, References: This property is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The acquisition of this land supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and two sub-goals under Goal B: Complete the acquisition of lands within the adopted Preserve boundaries; and Protect natural resources, open spaces and views.

The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved recommended Study Boundary. The goal is to acquire sufficient land to create a large un-fragmented habitat area and a wildlife/habitat corridor and a recreation corridor between the McDowell Mountains and the County Regional Park with the natural desert open spaces to the north in Scottsdale and in the Tonto National Forest.

The McDowell Sonoran Preserve is supported by five public votes. Tax collections through April 2003 - \$106.2 million. **Preserve acquisition expenditures** - \$247 million. **Bonds issued** - \$232 million (\$134.6 million in General Obligation bonds). Existing Preserve tax sufficient to pay for acquisition of these parcels.

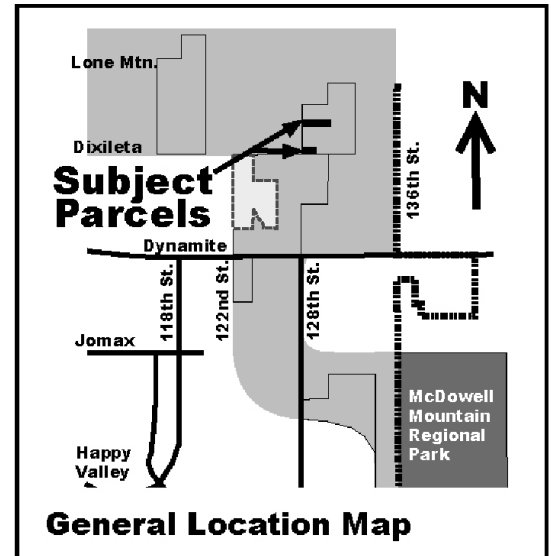
BACKGROUND

The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this property and other parcels in the surrounding area as integral to creating a large un-fragmented habitat area and a natural corridor/linkage among the McDowell Mountains, McDowell Mountain Regional Park, Tonto National Forest and planned Preserve land north of

Dynamite Boulevard. The McDowell Sonoran Preserve currently consists of 10,870 acres of City-owned land.

This property is comprised of two separate parcels consists of +/- 15.6 acres. The property is located north of Dixileta Drive, south of Wildcat Drive, east of 128th Steet and west of 132nd Street. (shown on Attachment 1. Location Map).

Location: Shown on Location Map and Exhibit A attached to Resolution No. 6306.



ANALYSIS & ASSESSMENT

These are the remaining unresolved parcels in the expanded boundary between Dixileta Drive, 116th Street, Wildcat Drive and 120th Street where staff has not yet been able to reach agreement with the owners on acquisition. The primary reason is the property owner is not satisfied with the City's offer. Staff continues to negotiate with the owner of each parcel. The City has acquired 21 parcels comprising 235 acres of land during the past year in this geographic area. Approval of resolution 6306 will permit the City to initiate condemnation proceedings as a last resort.

Staff has been working with the property owners in this area since Spring 2002. The vast majority of the parcels in this geographic area have been acquired and are in the Preserve. Staff has kept each of the affected property owners updated on the City's progress in acquiring land, interest in acquiring the subject land, and next steps in the process. Two certified letters were sent to each property owner- one in mid January 2003, and one in early May 2003, informing property owners of this potential action.

Staff remains committed to continuing to work with each property owner to achieve a consensual acquisition. Property owners were informed the City would only initiate condemnation proceedings as a last resort after it is concluded that additional dialogue would be unproductive or it is agreed condemnation is the best course of action to resolve the acquisition.

The process followed in this geographic area is consistent with that used in all other geographic areas within the planned Preserve boundary. The City Council

has adopted five resolutions similar to this request since 1999. In many instances the City and the property owner have been able to reach agreement for a consensual acquisition subsequent to the passage of the resolution. Any agreed upon acquisition or condemnation verdict will be submitted to the Council for approval.

Significant issues to be addressed. None

Community involvement.

The McDowell Sonoran Preserve is supported by five public votes. This property is within the expanded Recommended Study Boundary approved in August 1998, by City Council and in November 1998, by voters. The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this property and surrounding land as integral to creating an un-fragmented habitat area and as important given its scenic, recreation and strategic value. The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved Recommended Study Boundary.

Scottsdale citizens initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert in 1990. The City Council, following a review of recommendations from the McDowell Sonoran Preserve Commission, identified land within an approximately 36,400-acre Recommended Study Boundary for inclusion in the McDowell Sonoran Preserve. Two citizen task forces, the McDowell Mountains and the Desert Preservation, have been involved in identifying land for inclusion in the Recommended Study Boundary and in identifying implementation strategies. The McDowell Sonoran Preserve Commission used the work of both task forces as a foundation for the formulation of specific implementation recommendations to the City Council.

The McDowell Sonoran Preserve is supported by five public votes. The City Council and voters have approved the specific boundary in which all acquisitions are made. The Desert Preservation Task Force and the McDowell Sonoran Preserve Commission identified this parcel and others in the surrounding area as integral to creating a large un-fragmented habitat area and a wildlife and recreation corridor between the McDowell Mountains and County Regional Park with the portion of the planned Preserve north of Dynamite Boulevard, and the Tonto National Forest. This area was also identified as prime habitat. The McDowell Sonoran Preserve Commission strongly supports the preservation of all land within the voter approved Recommended Study Boundary. Scottsdale residents have indicated a strong desire to maintain the Preserve for the enjoyment of this and future generations.

RESOURCE IMPACTS

Approval of Resolution No. 6306 will enable staff to proceed with condemnation as a last resort and the expenditure of funds from the McDowell Sonoran Preserve privilege tax fund to carry out this action. This fund was created to accumulate revenues from the .2% transaction privilege tax for the acquisition of land for the McDowell Sonoran Preserve.

Available funding. Funds are available from the existing Preserve tax to pay for costs associated with the acquisition of this property. Resolution No. 6131 enables the City to be reimbursed for funds advanced for the acquisition of this property, as described by U.S. Treasury Regulation Section 1.150-2, with the intent that the City will reimburse the expenditures from subsequent bond proceeds.

Staffing, workload impact. Staff workloads are increased to process and participate in a condemnation case.

Maintenance requirements. The addition of +/- 15.6 acres of land to the Preserve increases the amount of land the city is responsible for managing. Minimal management is required for land in the Preserve that is to remain in a natural state, is not in a planned access area, and does not have a trail planned to cross it.

Future budget implications. No specific expenditures or capital improvements are currently planned or scheduled on the +/- 15.6 acres.

OPTIONS & STAFF
RECOMMENDATION

Option A -- Do not authorize the use of condemnation for acquisition of this property: If the property is not acquired for the Preserve a private property will be surrounded by City-owned Preserve land and re-classified State Trust land. Private development on the property would require access across the Preserve. Preserve funds would be saved if the City did not acquire this property.

Option B -- Authorize staff to proceed with condemnation as a last resort to bring this property into the Preserve: This option would approve Resolution No. 6306 and authorize staff to proceed with condemnation as a last resort.

Option C -- Direct staff to negotiate a different price or terms with the property owners: This option would direct staff to offer the owner of one or both of the properties a price different from the City offer price that was based on appraisals, a review of appraisals for nearby parcels and after a site visit.

Recommended Approach: Adopt Resolution No. 6306 authorizing staff to proceed with condemnation as a last resort.

Proposed Next Steps: If City Council approves the resolution staff will continue discussions with the owners of the two properties and only initiate condemnation proceedings as a last resort after it is concluded additional dialogue would be unproductive or it is agreed condemnation is the best course of action to resolve the acquisition.

RESPONSIBLE DEPT.

Preservation Division

STAFF CONTACTS

Robert J. Cafarella, AICP, Director, Preservation Division
480-312-2577 (rcafarella@ci.scottsdale.az.us)

APPROVED BY

Name

Date

Robert J. Cafarella, AICP, Director, Preservation Division

Name

Date

Ed Gawf, Deputy City Manager

ATTACHMENTS

1. Location Map
2. Resolution No. 6306

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Neighborhoods

SUBJECT

Intergovernmental Agreement with Scottsdale Unified School District.

REQUEST

Adopt Resolution No. 6266, which approves IGA No. 2003-030-COS with the Scottsdale Unified School District. This funding provides drug and alcohol education and prevention services in all Scottsdale schools. This funding allows the School District to purchase services from the Scottsdale Prevention Institute (SPI) and includes services such as classroom presentations and teacher support on issues related to substance abuse. Other services provided include Peer Mediation, Violence Prevention strategies, and assessment of family issues that may require further intervention.

Related Policies, References: IGA No. 2003-039-COS

BACKGROUND

This IGA would provide \$253,978 to fund substance abuse prevention and intervention services to students attending elementary, middle, and high school in the Scottsdale School District. Since 1986, the City of Scottsdale has financially supported substance abuse prevention/intervention services at Scottsdale School District schools as part of a community partnership.

In 1985, the School District and Camelback Hospital approached the City to help establish a community substance abuse prevention program to address drug and alcohol abuse problems among our youth. The City had just finished its own independent study, indicating that these services were necessary in our community. As schools are places that children are required to be, they are an effective place in which to provide prevention/intervention services. In 1986, the City Council authorized the city to jointly fund this effort, in conjunction with the school district, and Camelback Hospital. As a result, the Scottsdale Prevention Institute was established as a private non-profit organization, with its own board of directors, as a community partnership. The City has continued on with this partnership, as SPI has performed within the provisions of the original contract. By participating with other agencies, the City is able to leverage funds, making these substance abuse prevention and intervention services available to the community.

This is the last year of a 5-year agreement between the School District and SPI. The District will be issuing a new bid for these services for fiscal year 2004/2005. At that time, we will need to evaluate how we should continue to participate. We are concerned not so much who provides the service, but that these services are available to the families in Scottsdale. Prevention and intervention services are significantly cheaper than treatment for those who become addicted to alcohol and drugs. Scottsdale Prevention Institute contracts with an independent consultant that

Action Taken _____

evaluates their services and programs, and has determined that these services are clinically sound and research based.

Prior to fiscal year 1998/1999, the City had provided funding directly to the Scottsdale Prevention Institute (SPI) through regular contracts approved by the City Council to provide the substance abuse services at the Scottsdale School District Schools. In order to comply with the state procurement guidelines as reviewed by the Attorney General's Office in 1998, the School District completed a formal bid process for prevention services, and through that process, the successful bidder was SPI. The Prevention Institute will provide services under a contract with the Scottsdale School District rather than with individual funding providers. The City, through this Intergovernmental Agreement, will provide funding for the same level of services as in the past, but the District will distribute the funds to the Scottsdale Prevention Institute.

This IGA will fund 6,974 total service hours for students and families, including client assessment, student support groups, chemical awareness programs, conflict management skills, and other related services. These services will be provided to students attending any school in the Scottsdale Unified School District. This agreement provides for 7 service hours per week in each school, for 30 weeks. Additionally a Chemical Awareness Program will be offered year-round for students needing intervention and on-going support. This past year, 8,237 students participated in one or more services made available as the result of the current IGA.

Staff provided a report to the Human Services Commission at their March 27, 2003 meeting, and their recommendation was to support this action with the provision of working with the School District to determine necessary services and gaps.

ANALYSIS & ASSESSMENT

Recent staff action. The Contract Administrator reviews service reports submitted by SPI to the School District prior to payment completion.

Contract process and terms. The City's agreement with the School District is for a period of one year. This is the last year of a 5-year agreement between the School District and Scottsdale Prevention Institute. When the original bid was awarded by the School District in 1999, it was for a term of one year, with the option to renew for an additional four years. The Intergovernmental Agreement is for the period July 1, 2003, expiring June 30, 2004. The cost of this agreement is \$253,978, and provides for a total of 6,945 service hours. Services will be provided by SPI in all Scottsdale Schools. Additionally, the Chemical Awareness Program will be offered at SPI offices on Saturday for those families needing more in-depth services. These services will all be performed within the contract period. Payment will be withheld for any service hours not completed within the contract period. The City, with a 30-day written notice, may terminate this contract at any time.

Significant issues to be addressed. This work is being performed by SPI rather than City or School District staff as the funding provided by the City is leveraged with other funding resources in order to provide a more cost-effective manner of service delivery. SPI receives funding from the School District, various grants, and private donations, in addition to City dollars for these services.

Community involvement. This arrangement continues to be positive one. Prevention services are discussed regularly in joint meetings attended by City staff, School District staff, and staff from SPI. The School Board continues to support these services. Scottsdale Prevention Institute is composed of representatives from

the community who provide guidance and raise additional funds for these services. An update on past years' services is provided to the Human Services Commission every year prior to Council action.

RESOURCE IMPACTS

Available funding. Funds for this IGA are included in the Human Services FY 2003/2004 budget, under general funds.

Future budget implications. This commitment is for one year only and a new IGA is required for any future commitments.

Staffing, workload impact. No additional staffing is required to administer this agreement. The City of Scottsdale's Contract Administrator will absorb any administrative costs related to overseeing this agreement.

**OPTIONS & STAFF
RECOMMENDATION**

Option A: Adopt Resolution #6266 which approves IGA # 2003-030-COS with the Scottsdale School District for drug and alcohol education and prevention services in Scottsdale Public Schools in the amount of \$253,978.

Option B: Do not approve this partnership for drug and alcohol education and prevention services in Scottsdale Public Schools and look for other methods to educate children and reduce the incidents of substance abuse and negative behavior in this age group.

Recommended Approach: Staff recommends adopting this Resolution and approving the Intergovernmental Agreement which will provide funding for drug and alcohol abuse prevention services in Scottsdale Schools.

**RESPONSIBLE
DEPT(S)
STAFF CONTACT(S)**

Community Services Department, Human Services – Youth and Family Services

Vicki French, Human Services Manager, (480) 312-7922

APPROVED BY

William J. S. Exham, Jr.
Community Services General Manager
bexham@scottsdaleAZ.gov

Date

Barbara Burns
Assistant City Manager
bburns@scottsdaleAZ.gov

Date

Craig Clifford
Chief Financial Officer
cclifford@scottsdaleAZ.gov

Date

ATTACHMENTS

1. Resolution No. 6266
2. Intergovernmental Agreement No.2003-030-COS
3. Minutes of Human Services Commission meeting, March 27, 2003

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Neighborhoods

SUBJECT

Modify the Parks and Recreation Field Allocation Fee Waiver and Partnership Funding Policy and implement recommendations of the Council initiated Youth Sports Task Force.

REQUEST

Adopt Resolution No. 6322 authorizing changes to the Parks and Recreation Field Allocation Fee Waiver and Partnership Funding Policy; authorize the use of Partnership Funds for one year for maintenance of sports fields on Scottsdale School District property and initiate a \$3.00 per hour fee for sports field use by non-profit youth sports organizations of City and Scottsdale School District fields under City management.

Related Policies, References:

- Resolution No. 4646, November 1996, adopting a Parks and Recreation Division field allocation fee waiver and partnership funding policy.
- Field Allocation Fee Waiver and Partnership Funding Policy, November 1996.
- Youth Sports Task Force Report, January 2003.

BACKGROUND

In August of 2002, the City Council directed staff to form a Youth Sports Task Force to address a citizen initiated issue of deteriorating maintenance of sport fields located on Scottsdale School District property and used by Scottsdale youth sports organizations. Due to budget constraints over the past several years, the School District has reduced the level of maintenance of their school sports fields. The City, through intergovernmental agreements with the School District, already maintains fields on joint use park/school sites and the sport fields on those sites are receiving an acceptable level of maintenance.

A Task Force composed of representatives from various Little Leagues, soccer groups, Little Miss Softball, lacrosse, City and Scottsdale School District staff and a member of the Parks and Recreation Commission, met over a 90-day period to identify youth sports fields that needed additional maintenance, determine an acceptable level of maintenance, and develop recommendations for consideration that would improve the level of maintenance for the identified fields. The recommendations focused on the six most heavily used school sites: Supai, Mohave, Cocopah Middle Schools and Pima, Laguna and Cochise Elementary Schools.

The Task Force identified three potential levels of enhanced maintenance services that would involve City funds in addition to existing School District maintenance:

1. One-time field renovations and improvements to high-use fields.

Action Taken _____

- Cost is projected at approximately \$190,000.
- 2. Routine maintenance of high-use fields.
Cost is projected at approximately \$281,000.
- 3. Twice per year field rehabilitation of high-use fields.
Cost is projected at approximately \$107,000.

The recommended level of service is to have the City staff and contractors rehabilitate these sites twice annually in August and February. Rehabilitation may include field geometry, laser leveling, aeration, fertilization, soil stabilizers, and minor repair. With this new service, the fields will be made ready for the major sports seasons and save the volunteer youth sports organizations time, money and effort in restoring fields after an off-season period. The youth sports organizations will continue to provide supplementary maintenance of the fields on a daily basis during their season. The School District will provide normal mowing and keep the irrigation systems operational.

In November of 1996, the City Council approved a policy that would allow youth sports organizations to apply for matching City funds to make physical improvements to youth sports fields on school and park property. This policy, called "Partnership Funding," has been a successful partnership resulting in 16 projects worth \$171,000 in improvements for youth sports facilities throughout the City. Projects have included player area improvements, additional fencing, and the purchase of bleachers and replacements of backstops.

The current balance in the Partnership Funding account is \$215,000. This action proposes to use approximately \$107,000 of these funds to pay for the first year of the bi-annual maintenance costs. The one year use of this fund for maintenance will allow City crews to begin maintaining the recommended heavily used fields this summer with no increase in the City budget.

To fund the twice per year high-use field rehabilitation in the future, a new sports field use fee of \$3 per hour for non profit youth sports organizations is recommended. It is anticipated that this fee will generate enough revenue to continue twice per year high-use sport field maintenance and that the Partnership Fund can return to its original intent of matching funds for future physical improvements to sport facilities.

To be consistent with charging non-profit youth sport organizations minimal use fees for use of recreational facilities, it has proposed that the three City-sponsored swim teams, the Scottsdale Aquatic Club, Clavadistas del Sol Dive Team, and Scottsdale Synchronized Swimming begin paying a use fee of \$5 per hour for use of City pools as of January 1, 2004. This recommendation will be considered by Council along with other changes to the Community Services Fees and Charges schedule in a separate Council Action.

To date, youth sports organizations, whether they have used sport facilities on school grounds, park sites, or the City's public pools, have done so with no City user fees charged. In all cases, these non-profit organizations provide recreational opportunities for thousands of children in the community with the City not having to directly operate, fund, or manage these activities. These organizations pay for all their operational costs through participant fees and donations.

ANALYSIS & ASSESSMENT

It is clear that the Youth Sports Task Force would have preferred the same level of maintenance on school property that has been achieved on park property. Unfortunately, neither the Scottsdale School District nor the City currently has the resources to be able to fund this level of maintenance. This twice per year field rehabilitation recommendation requires no additional staff and uses available funding to begin to improve the high-use fields on school property. The result will be a safer, better playing surface for our youth and a strengthening of the partnership between the City, District and the community organizations providing youth sports activities. This level of service will be evaluated by representatives of the Task Force after the first year to determine if the intended results were achieved and adjustments will be made to enhance the maintenance level if needed.

The Scottsdale School District has committed to continue normal mowing and watering of the high-use fields and the youth sport organizations who use the fields will continue to supplement field maintenance during their use periods.

Community involvement.

The Youth Sports Task Force was formed in August of 2002 and met on six occasions through March 2003. The Parks and Recreation Commission reviewed and approved the Task Force Report and recommendations on March 5, 2003. The Parks and Recreation Commission reviewed the proposed fees for both field and pool use in a televised public meeting on May 21, 2003.

RESOURCE IMPACTS

Available funding.

No new funds are required for this program. This is a pilot program that will be evaluated after one year, but it is anticipated that the new use fees will cover the cost of this level of service in the future. It is the intent to create a “special revenue” budget center for the specific purpose of collecting the fees to pay for the new level of maintenance on Scottsdale School District high-use fields.

Staffing, workload impact.

No new FTE’s are required with this recommendation. Contract administration staff will absorb any costs to administer any contractual work that will take place on school property.

Maintenance requirements.

The level of maintenance on school district facilities entails field geometry, leveling if needed, aeration, fertilization, soil stabilizers if needed, and minor repair in August prior to soccer season and February prior to Little League season.

Cost recovery options.

It is anticipated that the \$3 reservation fee will result in at least \$200,000 which should cover 100% of the twice per year field rehabilitation costs on school fields. Staff expects some reduction in reserved use times by youth sports organizations now that they will have to pay for each hour of field use so the \$200,000 could be less than projected. If a reduction of field use times by existing youth sports organizations is realized, it will allow staff to provide other organizations who need sport field space with field time rather than having to wait until additional facilities are built or lighted.

After the first year, staff will compare costs of the enhanced maintenance with the revenue generated and determine whether there is a need to either reduce/increase use fees or be able to further enhance maintenance with the revenue collected.

**OPTIONS & STAFF
RECOMMENDATION**

Description of Option A: Adopt Resolution No. 6322 authorizing changes to the Parks and Recreation Field Allocation Fee Waiver and Partnership Funding Policy; authorize the use of partnership funds for one year for maintenance of sports fields on Scottsdale School District property and initiate a \$3.00 per hour fee for sports field use by non-profit youth sports organizations of City and Scottsdale School District fields under City management.

Description of Option B: Do not approve the use of Partnership funds for additional maintenance on school district fields and do not initiate a field use fee of \$3.00 for youth sport organizations. Direct staff to develop other alternatives to bring back to the Council for consideration.

Recommended Approach: Approve Option A adopting Resolution No. 6322 which responds to recommendations from the Youth Sports Task Force and is supported by the Scottsdale Parks and Recreation Commission. This option also results in no new City funds or staff having to be allocated to enhance the maintenance of the Scottsdale School District high-use fields.

RESPONSIBLE DEPT(S)

Community Services, Parks, Recreation and Facilities Division

STAFF CONTACTS

Judy Weiss, Parks, Recreation and Facilities Manager, 480-312-2416,
jweiss@scottsdaleAZ.gov
Debra Baird, Parks, Recreation and Facilities Director, 480-312-2480,
dbaird@scottsdaleAZ.gov
Bill Exham, Community Services General Manager, 480-312-2304,
bexham@scottsdaleAZ.gov

APPROVED BY

William J.S. Exham, Jr.
Community Services General Manager

Date

Craig Clifford
Chief Financial Officer

Date

Barbara Burns
Assistant City Manager

Date

ATTACHMENTS

1. Resolution 6322
2. Field Allocation and Partnership Funding Policy
3. Youth Sports Task Force Options and Recommendations

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Preservation Character

- SUBJECT** **Adopt Resolution No. 6307, authorizing Agreement No. 2003-111-COS, an annual financial participation agreement between the City of Scottsdale and the Scottsdale Cultural Council for FY 2003/04, in the amount of \$2,780,596.**
- REQUEST** This action will authorize general fund budget support for the Scottsdale Cultural Council for FY 2003-04, allowing Cultural Council staff to continue to administer arts and cultural programs and events for the City, according to the terms of the Management Services Agreement.
- BACKGROUND** In early June, 1987, the Scottsdale Cultural Council was formed as an Arizona non-profit corporation, to provide advisory and management services for the arts and cultural programs and facilities of the City. On June 20, 1988, the City and Scottsdale Cultural Council entered into an original management services agreement (“Original Agreement”), acknowledging the Cultural Council as the principal organization through which arts and cultural activities would be undertaken in the City.
- Over a period of years the City and Scottsdale Cultural Council realized their mutual best interests and common goals would be better served with a new agreement, and entered into a “Second Agreement” on June 14, 1993. Both the Original Agreement and Second Agreement provided for the Cultural Council to manage art facilities leased or owned by the City.
- The City and Cultural Council agreed that with the planned development of a new cultural facility, the Scottsdale Museum of Contemporary Art (SMoCA), Cultural Council staff would have management responsibility as directed in the Second Agreement, which was amended and modified by City Council on October 7, 1997, to clarify understandings and responsibilities, and titled “Amended and Restated Management Services Agreement Between the City of Scottsdale and the Scottsdale Cultural Council”. (“Restated Agreement.”)
- City funding guidelines are detailed in Section 3.1 of the Management Services Agreement:
- The City intends to provide funding to the Cultural Council annually, subject to the terms and conditions of the Management Services Agreement and at the sole discretion of the City Council. The City anticipates that funding should increase three percent (3%) annually,

and the Cultural Council may forward supplemental decision and capital improvement requests to the Contract Administrator to be considered by City Council.

- City funding provided by the authority of the Restated Agreement is subject to annual appropriation by the City Council, with the City's obligation limited to the amount appropriated annually. The Cultural Council's annual budget is not approved by the City.
- An annual Financial Participation Agreement authorized by City Council specifies the amount and time of funds paid to the Cultural Council.
- Additional City funds may be requested by the Cultural Council for emergencies, special projects and unanticipated, extraordinary expenses. This additional funding is subject to City Council approval.
- Funds that are designated by ordinance or contract for a specific program or purpose by the City may only be used by the Cultural Council for the same specific program or purpose.

The Cultural Council is to use its best efforts to seek funding other than from the City, i.e., local, state and federal government grants; and grants, donations and sponsorships from private persons and businesses.

The Cultural Council will retain revenue from ticket and concession sales, facilities rental and other revenues generated from operating the Scottsdale Center for the Arts (SCA), the museum building (SMoCA) and other Managed Facilities, and events programmed on Civic Center Mall. Except for limits set by law, city ordinance and resolution, the Cultural Council may establish event ticket prices, rental rates and admission fees for the SCA, SMoCA and other Managed Facilities.

The Cultural Council is responsible for administrative costs and daily operating expenses, including office equipment, computer and telephone systems, arts specific systems and equipment, and Cultural Council vehicles; and general maintenance of the portion of the SCA building used by Cultural Council staff, the SMoCA building and other Managed Facilities.

Maintenance of equipment not listed in Exhibits D and I (attachments to the "Restated Agreement") is the responsibility of the Cultural Council unless otherwise agreed by the City.

The Cultural Council manages scheduling programs and events on Civic Center Mall, in compliance with the Scottsdale Revised Code and related City ordinances and regulations. Scheduling of Civic Center Mall is on a first come, first served basis, subject to the scheduling needs of the Cultural Council. All other functions in connection with Civic Center Mall, including routine maintenance, are performed by the City.

The Cultural Council establishes and administers the guidelines for the Public Art program, including provisions to appeal related decisions to the City Council, accession and deaccession of artworks, the maintenance of the City's fine art collection and activities associated with these responsibilities.

ANALYSIS & ASSESSMENT

The Management Services Agreement, Amended and Restated, between the City and the Scottsdale Cultural Council acknowledges the Cultural Council as the principal organization through which arts and cultural activities are undertaken in the City:

- The Cultural Council is recognized as the official advisory and planning authority on the arts and culture for the City, i.e., developing an arts master plan, selecting and siting public art, recommending artists for projects and advising City staff how projects and plans may affect cultural amenities. The Cultural Council is responsible for preserving, maintaining and exhibiting the fine art collection of the City, including accession and deaccession of artwork.
- The Cultural Council maintains and administers a five year plan for arts and culture in the City, including management of the Scottsdale Center for the Arts (SCA), operation of the Scottsdale Museum of Contemporary Art (SMoCA) and events scheduling for Civic Center Mall; and planning for capital development and construction of new cultural facilities, managing the public art program and conducting long range planning.
- The Cultural Council reviews funding requests from arts and cultural organizations, establishing criteria for arts and cultural grant application and determining how the funding will be allocated.
- The Cultural Council strives to create a climate within the City encouraging the arts to flourish by sponsoring, supporting and actively engaging in community programs and projects, and extending community arts resources to school-age children.
- The Cultural Council regularly seeks additional earned and contributed funding (local, state and national public and private sources) to support 70-75 percent of their annual budget expenses.

In October, 1997, the City and Scottsdale Cultural Council agreed to an Amended and Restated Management Services Agreement, with provision for a yearly financial participation agreement that details a payment schedule to the Cultural Council, with approval by City Council. A three percent (3%) increase annually in City financial support to the Cultural Council is suggested in the Management Services Agreement, but is not included in the City's general fund budget for 2003-04 forwarded to City Council for approval.

The Citizen's Budget Review Committee recommended a reduction in funding of \$278,000 for the 2003-04 budget. Direction from City Council was to provide the same level of funding as the previous fiscal year which is \$2,780,596.

The Cultural Council has adjusted its current budget and programs for fiscal year 2003-04 to address economic issues. Members of the Cultural Council Board are making additional personal financial commitments to help address reduced contributed and earned revenue.

Community Involvement

The Scottsdale Cultural Council has had development and management responsibility for the arts and cultural programs and events for the City for fourteen years. Cultural Council boards and committees are, for the most part, citizens giving their time and interest to guide the policies and practices established by the Executive Board. Cultural Council staff, through public meetings and the Public Art and Collections Committee, continually seek community interest and involvement in the Public Art program for project design and site selection.

Volunteer docents are an integral part of the visual arts program in the Center for the Arts and Museum. Docents – numbering more than 100 – are well trained in art history and touring techniques, and share visual arts experience with students and adults by giving tours of the museum exhibitions and Civic Center Mall sculpture, and outreach to schools across the Valley.

Requests for reconsideration and appeal of public art projects, to the Cultural Council Board of Directors then to City Council if needed, may be made by artist candidates and Scottsdale residents.

In Fiscal Year 2002-03 more than 300,000 citizen contacts were realized for events and uses of facilities planned and managed by the Scottsdale Cultural Council, and thousands of Scottsdale residents and visitors enjoyed the public art projects sited throughout Scottsdale's community.

The City Attorney has reviewed and approved the Resolution and Financial Participation Agreement documents as to form.

RESOURCE IMPACTS

Adopting Resolution No. 6307, and authorizing the Financial Participation Agreement for FY 2003-04, will enable the Scottsdale Cultural Council to continue to provide arts and cultural services to Scottsdale's residents and visitors, including visual and performing arts, arts education, public art, special events and operation of the Scottsdale Museum of Contemporary Art as well as community arts grants serving 10-12 arts organizations, the independent film series, increase the Cultural Connection Program for youth from 80 students to 135, maintain the poetry program and museum lecture series with contemporary artists, collectors and art critics as well as provide educational brochures for scheduled art exhibitions.

The \$2,780,596 will be paid to the Scottsdale Cultural Council in nine payments July through March for FY 2003-04. In the first year of Scottsdale's agreement with the Cultural Council, the City's financial contribution equaled approximately 60% of the Cultural Council budget. In FY 2003-04 the City's financial support will be between 31% and 33% of the Cultural Council's \$8.4 million operating and capital budget.

**OPTIONS & STAFF
RECOMMENDATION**

Description of Option A: Adopt Resolution No. 6307, authorizing Agreement No. 2003-111-COS, an annual financial participation agreement between the City of Scottsdale and the Scottsdale Cultural Council for FY 2003/04, in the amount of \$2,780,596.

DESCRIPTION OF OPTION B: Authorize funding for 2003-04 which includes a 3% increase as suggested by the City Council approved Management Services Agreement. This would require an increase of \$83,418 and would make the 2003-04 allocation \$2,864,014.

Recommended Approach: Approve Option A which is the same level of funding as FY 02/03 and which was included in the balanced FY 03/04 budget approved by the City Council on June 2, 2003.

RESPONSIBLE DEPT(S) Community Services Department

STAFF CONTACT(S)
William Exham, General Manager
Community Service Department
480-312-2377
bexham@scottsdaleaz.gov

APPROVED BY

William J.S. Exham, Jr.
Community Services General Manager

Date

Craig Clifford
Chief Financial Officer

Date

Barbara Burns
Assistant City Manager

Date

ATTACHMENTS

1. Resolution Number 6037
2. Financial Participation Agreement No. 2003-111-COS

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Fiscal and Resource Management

SUBJECT

Adoption of the Community Services Department Fees and Charges Resolution

REQUEST

ADOPT Resolution No. 6314 authorizing changes to the Community Services Department Guidelines for Programming Fees, and Facility Reservations and Use Costs; which establishes the program purpose and terms, provides guidelines for charge classifications and equipment use, sets fees, outlines activity formulas, and identifies related inventory.

Related Policies, References:

-Scottsdale Revised Code Chapter 20; Ordinance No. 2022

BACKGROUND

The City recognizes the importance of providing public open space with related facilities and services that encourage family interaction, accommodate community functions, and provide opportunities for positive use of leisure time. Accordingly, customers that benefit directly from the reservation of facilities and participate in specialized programs pay a portion of related costs through the established fees.

Because of the value of these facilities and programs to community health and welfare, the City subsidizes the administrative and indirect costs of programs and use of facilities. A number of facilities such as parks and senior centers are available for drop-in public use with no fees.

On July 18, 1988, the City Council passed Ordinance No. 2022 establishing a process for setting fees and charges for City recreation facilities, equipment and programs. The Ordinance establishes the authority of the City Council, from time to time, to set all such fees and charges by resolution. The Ordinance provides for city boards, commissions, or committees of the city council that generally advise or make recommendations to the council regarding the facilities, equipment, or programs of the Community Services Department to review, evaluate and make recommendations to the council, at the request of the council or upon its own initiative regarding the fees and charges.

Resolution No. 6314 repeals previous fee Resolution No. 6063 and updates the Community Services Department Guidelines for Programming Fees and Facility Reservation and Use Costs.

Action Taken _____

ANALYSIS & ASSESSMENT

At the direction of City Council during the Fiscal Year 2003/04 Budget Process, the Community Services Department was asked to respond to recommendations of the Citizens Budget Review Committee to increase fees and charges. The Committee recommended increasing Library fines by 100% from \$0.10 to \$0.20 per day for overdue books (proposed revenue increase of \$225,000) and increasing recreation fees by an average of 10% (proposed revenue increase of \$200,000) for a total of \$425,000.

In response to the Citizen Budget Review Committee's suggestions, the Community Services Department has reviewed the current fees and we recommend the following changes that we project will bring in an additional \$375,000 of revenue for Fiscal Year 2003/04.

- Increase library fines from \$0.10 to \$0.20 per day for overdue books. Effective 7/1/03. Proposed 2003/04 revenue increase of \$200,000. (This does not need to be authorized by City Council Resolution. City Council has given that authorization to the Library Director.)
- Increase Leisure Education class fees by 10%. Effective 09/01/03. Proposed 2003/04 revenue increase of \$35,000.
- Increase Adult fees for aquatics public swim, lap swim, and fitness room from \$1.50 to \$2.00. Effective 09/01/03. Proposed 2003/04 revenue increase of \$20,000.
- Initiate a fee of \$5.00/hr for use of aquatic facilities by City sponsored aquatics teams. Effective 01/01/04. Proposed 2003/04 revenue increase of \$16,000. This is being brought forward as a result of recommendations from the Youth Sports Task Force that was appointed by the City Council related to the use of sports fields by youth sports organizations. A fee is being implemented under another City Council Report for use of those fields. To be consistent among youth sports organizations we are recommending the above fee for use of City aquatic facilities.
- Adjust adult sports fees to cover 100% of direct costs per formula. Effective 09/01/03. Proposed 2003/04 revenue increase of \$36,000.
- Adjust Club SAR membership fee to cover 100% of direct costs per formula. Effective 09/01/03. Proposed 2003/04 revenue increase of \$8,000.
- Change policy to recover 75% of direct costs of youth sports programs. (Currently 50%.) Effective 09/01/03. Proposed 2003/04 revenue increase of \$25,000.

In addition staff has already implemented a reduced lesson time for the Learn to Swim program from 45 minutes to 30 minutes, which provides the ability to increase the number of lessons offered. The class curriculum can be covered in this timeframe. Proposed 2003/04 revenue increase of \$35,000.

Community Involvement

The information was shared with the Parks and Recreation Commission, the Human Services Commission and the Library Advisory Board. No significant negative comments were made.

RESOURCE IMPACTS

Proposed Community Services Department Library Fines and Recreation Fees and Charges increases will generate additional revenue of approximately \$375,000 for fiscal year 2003/04. Total revenue projections for the Community Services Department Library Fines and Recreation Fees and Charges for the 2003/04 Budget is \$2,637,582 without these increases.

**OPTIONS & STAFF
RECOMMENDATION**

Option A: Adopt proposed fees and charges changes as presented.

Option B: Adopt larger or smaller fee adjustment.

Option C: Deny proposed fees and charges changes and direct staff to begin the necessary benchmarking and studies that are normally completed and bring back a recommendation as part of the Fiscal Year 2004/05 Budget Process.

Recommended Approach: Staff recommends approval of the proposed fee changes which respond to the Citizen's Budget Review Committee recommendations and did not receive significant negative comments from the related Boards and Commissions.

RESPONSIBLE DEPT(S)

Community Services Department

STAFF CONTACTS

Bill Exham, Community Services General Manager, 480-312-2304,
bexham@scottsdaleAZ.gov

APPROVED BY

William J.S. Exham, Jr.
Community Services General Manager

Date

Barbara Burns
Assistant City Manager

Date

Craig Clifford
Chief Financial Officer

Date

ATTACHMENTS

1. Resolution 6314
2. Revised Community Services Department Guidelines for Programming Fees, and Facility Reservation and Use Costs Exhibits A through F

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Transportation

SUBJECT

Engineering Services Contract with Entellus, Inc., for design of the Pima Road alignment near Ironwood Village

REQUEST

AUTHORIZE Engineering Services Contract No. ****-**-COS with Entellus, Inc. in the amount of \$***,***.00 for the Design Concept Report (DCR) for Pima Road Improvements (Pima Freeway to Hualapai Drive), East Union Hills Interceptor Channel Project and the Pima Road Drainage System Project. This contract will include the option to perform two additional DCRs for additional alignment alternatives for the Pima Road Project (if required) and to complete final design for the roadway and drainage projects.

Related Policies, References:

- a. Scottsdale Foothills General Plan, 1984
- b. Bond 2000 CIP
- c. City of Scottsdale General Plan, 2002
- d. Proposed Master Streets Plan, 2003

BACKGROUND

Pima Road is classified as a Parkway in the City's General Plan. As such it is proposed to convey a daily traffic volume of 35,000 to 55,000 vehicles in six travel lanes. Traffic counts taken in September of 2002 for the section of the roadway from the Pima Freeway to Hualapai represented a total 40,700 vehicles per day after being seasonally adjusted. The Transportation Department is estimating a 10-20% increase in traffic volumes over the next 20 years.

The goal of this project is to improve traffic flow, provide added safety for both pedestrians and vehicles, reduce delay times at intersections, and improve non-motorized circulation.

This engineering services design contract will provide a mechanism to reach consensus with all impacted parties within the project area as to the final alignment of Pima Road. The initial DCR will evaluate a proposed 65-foot offset to the west of the General Plan alignment for Pima Road from Pima Freeway to Hualapai Drive. This alignment was reviewed with over 70 residents of Ironwood Village on October 21, 2002. The neighborhood strongly supported analyzing this alignment as the first step in resolving the final alignment issue. The DCR will also determine construction costs for the addition of lanes 5 & 6 for Pima Road from Hualapai Drive to Deer Valley Road. As part of the DCR, drainage impacts,

Action Taken _____

right-of-way requirements, traffic impacts, noise analysis, zoning impacts, Intelligent Transportation System design and construction costs for all improvements will be analyzed and evaluated.

In addition, the contract has a well-developed public outreach program. A stakeholder kick-off meeting will include such participants as the Ironwood Village Property Owners Association, DC Ranch, State Land Department, and individual private property owners.

The contract also includes allowances for three public neighborhood meetings and any possible Development Review Board meetings. The City's Project Manager would direct the public meetings with support from the engineering firm and other City staff members.

ANALYSIS & ASSESSMENT

On February 20, 2003, the Transportation staff solicited proposals for an engineering contract from 53 consultants. Six proposals were received on March 28, 2003. All proposals were thoroughly evaluated by a panel of three City staff members, a member of the Ironwood Village Pima Road Committee and a representative from the DMB Development Group (developers of DC Ranch). Based on the initial review of proposals, three firms were selected for oral presentations and interviews. Based on the interviews, Entellus was selected to prepare the DCR (Evaluation Matrix attached). The Purchasing Director confirms that the procurement procedures provided by the City Code have been followed. The CIP Coordinator in Financial Services concurs that funds are available to authorize this contract.

Significant issues to be addressed:

Final alignment of Pima Road from the Pima Freeway to Hualapai Road by Ironwood Village.

Community involvement:

The first alignment to be analyzed was reviewed in concept with the Ironwood Village Property Owners Association on October 21, 2002. A series of additional meetings will be held with property owners and interested parties along the corridor including up to three public meetings. Community involvement will be especially important as the City moves into final design of the roadway.

RESOURCE IMPACTS

Available funding:

Funds from the .2% transportation privilege tax and the Bond 2000 are available on the adopted budget for the engineering services contract.

Future budget implications:

It is projected that construction of these improvements will be initiated in fiscal year 04/05. The estimated total cost to construct the roadway and drainage improvements is \$16,137,000.

Maintenance requirements:

The Pima Road corridor is already included in the inventory of streets that the City maintains. The addition of 5.4 miles of new travel lanes, 2.4 miles of new bike lanes and 1.2 miles of new roadway landscaping will cost approximately \$48,000/year.

**OPTIONS & STAFF
RECOMMENDATION**

Description of Option A:

Award this engineering contract to Entellus, proceed with the design concept report.

Description of Option B:

Do not award this contract, which would delay any improvements to this three-mile segment of Pima Road. Traffic issues in this area will continue to increase with additional congestion occurring, especially in the area between Hualapai Drive and the Pima Freeway.

Recommended approach:

Option A - Award this design contract in order to move forward with this project.

Proposed Next Steps:

If this contract is awarded, concept design services will begin immediately and be completed within six months to a year. It is anticipated that construction of the project could begin in mid-2005.

RESPONSIBLE DEPT(S)

Transportation Department

STAFF CONTACT(S)

Robert M. Johnson, CIP Coordination Manager, (480)-312-7054,
rmjohnson@ci.scottsdale.az.us

APPROVED BY

John Little
Transportation General Manager
jlittle@ci.scottsdale.az.us (480) 312-2539

Date

ATTACHMENTS

Ed Gawf
Deputy City Manager
egawf@ci.scottsdale.az.us (480) 312-5830

Date

1. Location Map
2. Engineering Services Contract No. ****-***-COS
3. Proposal Evaluation Summary

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Transportation

SUBJECT **Engineering Services Contract for the Neighborhood Stormwater Improvements Program**

REQUEST AUTHORIZE Contract Modification to Engineering Services Contract No. 2000-165-COS, with Engineering and Environmental Consultants, Incorporated (EEC) in an amount not to exceed \$80,000.00, for the Neighborhood Stormwater Improvements Program.

Related Policies, References:

City Procurement Code; 4/16/2001 Contract No. 2000-165-COS

BACKGROUND On April 16, 2001, City Council approved the award of Engineering Services Contract No. 2000-165-COS with Engineering and Environmental Consultants to provide on-call planning and design services to support the City's Neighborhood Stormwater Management Improvements program. The initial term of the contract was for one year, with the option to extend on an annual basis for up to two additional one-year periods, upon recommendation of the Contract Administrator and the concurrence of the Purchasing Director, and subject to City Council approval. The first modification to this contract was authorized by City Council on May 5, 2002. The multi-year term of this contract was chosen due to the programs modest size and to reduce repetitive selection for engineering services of similar design work.

Council support for the Neighborhood Stormwater Management program has been in place since 1989, when General Fund money was allotted to Capital Improvement Program (CIP) resources to perform local drainage investigations, gather input from citizens, and plan, design and construct new improvements. The proposed 5-Year CIP for 2003/04-07/08 would authorize an average of over \$459,000 annually for neighborhood stormwater improvements.

ANALYSIS & ASSESSMENT The proposed contract modification will allow the Transportation Department and its Stormwater and Floodplain Management Division to continue to respond to local drainage problems in a more timely and efficient manner, while minimizing the need for assigning additional staff resources to this issue. Specific services provided under the contract include investigating and preparing summaries of findings for drainage complaints received from citizens or local businesses, performing local hydrologic/hydraulic analyses, identifying and analyzing improvement alternatives, providing preliminary and final design services, and providing cost estimates for specific local drainage improvements.

Action Taken _____

Paragraph 3.3 of the contract limits annual increases in hourly rates to no more than five percent. The average increase requested by the engineer, and supported by the Contract Administrator, is 2%. The engineer has met all performance expectations of the contract.

Significant issues to be addressed:

- Decrease ponding on local streets, which reduces accidents, eases traffic congestion during storms and extends pavement life.
- Eliminate flooding problems for individual homeowners and local neighborhoods.
- Address localized erosion and aesthetic issues associated with existing drainage systems.

Community involvement:

Coordination and administration of the Transportation Department Capital Improvement Program is assigned to the CIP Planning Division. The division has developed a zone-based neighborhood input program, which provides for open discussion and input on Transportation Department capital projects. Staff also meets regularly with individuals and homeowner's associations. The Department, through its Stormwater and Floodplain Management Division, also receives numerous drainage complaints during the course of normal business. A primary responsibility for the engineer is to work closely with staff and affected residents and businesses to identify mutually agreeable drainage solutions. The Transportation Department has found, through its CIP planning program, that using a combination of staff and outside resources to work with the community often leads to a broader assessment of issues and alternatives.

In the first and second year of EEC's contract, drainage problems and solutions have been assessed at the following locations at the request of several property owners and neighborhoods:

- Roosevelt Street/Hayden Road (report complete/in design)
- Hampton Inn & 75th Street (construction complete)
- ADW neighborhood (report/design complete)
- 60th Street/Windsor Avenue (report complete/in design)
- 92nd St./Sweetwater Avenue (construction complete)
- 83rd Place/Gail Road (report complete/in design)
- 83rd Street/Clinton Street (report complete/in design)
- Jackrabbit and Scottsdale Road (report/design complete)
- Arizona Canal FEMA map revisions (report complete)
- 8174 E. Sand Flower Drive (report)
- 76th Place & Cholla (report)

Potential new projects identified for year three:

- 102nd Street Drainage Improvements (report/design)
- Indian Bend Wash Drop Structure & ponding (report)
- Legend Trails Sub-Division (report)
- Sand Flower Sub-Division (report)

Others:

- Hayden Road – Indian Bend to Via De Ventura (report)

RESOURCE IMPACTS

Available funding:

Budget for this contract modification is requested in CIP Account No. F6302 (Neighborhood Stormwater Management Improvements). Earmarked funds from developer contributions required by City Code are programmed into the capital budget to fund the contract and the program, as shown below.

Fiscal Year	Contributions
2003	239,340
2002	328,094
2001	258,744
2000	118,074

OPTIONS & STAFF RECOMMENDATION

Description of Option A:

Extend the EEC engineering contract.

Description of Option B:

Do not extend the EEC contract. Solicit Requests for Proposals and repeat the entire selection process. This will result in improvement delays in order to allow for completion of the selection process or perform the work in-house. With an average annual appropriation of just under \$500,000 for this program, increased timeliness in program implementation can save over \$1,100/month in inflationary impacts (at 3.0%/year). The work performed by EEC over the past two years of the contract has been timely, cost effective and has met or exceeded staff and citizen expectations.

Proposed Next Steps:

If this contract modification is awarded, year-three services will begin immediately.

RESPONSIBLE DEPT(S)

Transportation, Capital Improvements Program Planning

STAFF CONTACT(S)

David Meinhart, Contract Administrator
dmeinhart@ci.scottsdale.az.us (480) 312-7010

APPROVED BY

John Little Transportation General Manager jlittle@scottsdaleaz.gov (480) 312-2539	Date
--	------

Ed Gawf Deputy City Manager egawf@scottsdaleaz.gov (480) 312-5830	Date
---	------

Al Dreska General Manager-Municipal Services adreska@scottsdaleaz.gov (480) 312-5555	Date
--	------

ATTACHMENTS

1. Modification to Engineering Services Contract No. 2000-165-COS

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Transportation

SUBJECT

Engineering Services Contract for the Via Linda ITS fiber optic system.

REQUEST

Consider approval of Engineering Services Contract No. 2003-031-COS with Olsson & Associates, in the amount of \$86,064.50, for the design of ITS fiber optic cable and conduit to be installed along Via Linda Road connecting from the Loop 101 Freeway ITS system at the Camelback Walk to the Police Headquarters building located at Via Linda and 90th Street.

Related Policies, References:

City Code, Chapter 17-21: Cooperate with other City officials in the development of ways and means to improve traffic conditions.

BACKGROUND

The overall goal of the Intelligent Transportation System (ITS) is to provide traffic monitoring capabilities and communications in the City at critical intersections, and to develop the traffic management capabilities that will enable the City to improve street capacities and safety. Due to the growth in and around Scottsdale, it has been determined that the City can benefit from the use of advanced technologies to monitor and control congestion, display current traffic conditions to the drivers, improve the capacity of the transportation network, and enhance public safety.

This conduit link will interconnect the Loop 101 fiber optic cable at Camelback Walk to the Police Headquarters building located south of Via Linda. This will provide a communications path serving Scottsdale Information Systems, from the City Center campus to the Via Linda City campus. This project will also install two Variable Message Signs (VMS) on 90th Street at Camelback Walk, and install Closed-Circuit Television cameras at the intersections of 90th Street/Via Linda and 90th Street/Mountain View.

The City has already issued a contract for design of the fiber optic cable system along the Loop 101 from Scottsdale Road to Via Linda. This project will connect to this fiber at the Camelback Walk location.

The City also is negotiating with the Arizona Department of Transportation for installation of fiber optic cable along the Loop 101 from Via Linda to Indian School Road. With this connection, the City will be connected to north Scottsdale via fiber optic cable versus traditional overhead or leased telecommunications wire.

ANALYSIS & ASSESSMENT

Recent staff action.

On October 1, 2002, Requests for Statements of Qualifications for four Intelligent Transportation System projects was mailed to ten prospective engineering firms. Six responses were received for the Via Linda ITS project on October 24, 2002. A team of four staff members reviewed the written statements of qualifications and independently evaluated the firms based on their capability and experience, approach to the project, knowledge of the project's unique features, and the schedule. Based on these criteria, Olsson Associates was selected as the most qualified firm for this project. The results of the evaluation process are listed on Attachment No. 3.

The Purchasing Director confirms that the procurement procedures provided by the City Code have been followed and the CIP Coordinator concurs that there are sufficient funds available to award this contract.

Scottsdale recently completed construction of a fiber optic infrastructure and deployment of Intelligent Transportation Systems along Indian School Road from 64th Street to Pima Road. This includes the installation of CCTV cameras, variable message signs (VMS), and vehicle detection devices. The Traffic Management Center at One Civic Center was also completed with this project, allowing traffic engineers to monitor and modify traffic signal timing remotely, and with greater accuracy, resulting in less delay to Scottsdale drivers. Negotiations with the Salt River Pima Maricopa Indian Community have continued to possibly share conduit and fiber on Pima Road, which will eventually make a final link from Indian School Road to this Camelback Walk fiber project. In turn, Scottsdale will share existing fiber and conduit on Indian School Road, allowing the SRPMIC telephone company to make the final connection with Qwest's Central Office at Scottsdale Road and 1st Street. The completion of these links will allow Scottsdale to bring all planned ITS projects on line that are slated to be constructed this year. It also provides a communications path for Scottsdale Information Systems, from the City Hall campus to the Via Linda City campus.

Community involvement.

Construction of the conduit and fiber installation will cause minimal disruption to the motorists along Mountain View, 90th Street and Via Linda. Major street crossings will be bored under the existing roadways, with lane closures occurring during non-peak travel times.

RESOURCE IMPACTS

Available funding.

Funds are available in CIP Account No. 410-T8150-52190 (Intelligent Transportation System).

Staffing, workload impact.

Existing Capital Project Management staff will manage this project, with TMC staff available for technical issues.

Maintenance requirements.

The installation of fiber optics does not require maintenance in the field. Only the equipment in the Traffic Management Center, and the field equipment at the intersections and cameras, will require normal 6 month maintenance, which will be absorbed into the existing ITS maintenance plan.

Future budget implications.

The estimated construction cost for this phase of the City's ITS program is

\$900,000. No right-of-way acquisitions are planned for this project.

**OPTIONS & STAFF
RECOMMENDATION**

Description of Option A:

Approval of this Engineering Services Contract will allow for the design of a fiber connection between the Loop 101 and the Police Headquarters and Corporation Yard. This project will also provide enhanced communications and data transmissions between the City Center campus and the Via Linda campus once the final leg of fiber communications is completed between Indian School Road and Via Linda/Camelback Walk.

Description of Option B:

Do not approve this Engineering Services Contract, which will delay the completion of the ITS network.

Recommended Approach:

It is recommended that this Engineering Services Contract be approved.

Proposed Next Steps:

Upon approval of the Contract, the Consultant will be issued a Notice to Proceed with the design of the project.

RESPONSIBLE DEPT(S)

Municipal Services and Transportation

STAFF CONTACTS

Annette Grove, Sr. Project Manager, 480-312-2399, Agrove@ci.scottsdale.az.us
Bruce Dressel, ITS Project Manager, 480-312-2358, Bdressel@ci.scottsdale.az.us

APPROVED BY

Al Dreska
Municipal Services General Manager
adreska@ci.scottsdale.az.us (480) 312-5555

Date

Roger Klingler
Assistant City Manager
rklingler@ci.scottsdale.az.us (480) 312-5830

Date

ATTACHMENTS

1. Engineering Services Contract No. 2003-031-COS
2. Location Map
3. SOQ Evaluation Summary

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Fiscal and Resource Management

SUBJECT

Engineering Services Contract for Pavement Condition Analysis and Rating

REQUEST

AUTHORIZE Engineering Services Contract No. 2003-103-COS with Infrastructure Management Services Inc. (IMS-Terracon) in the total amount of \$228,022.50 (a multi-year contract) for pavement condition analysis and rating of City public streets.

Related Policies, References:

City Council Goal C: Provide for the safe, efficient and affordable movement of people and goods.

City Council Goal E: Ensure Scottsdale is fiscally responsible and fair in its management of taxpayer money and city assets, and coordinates land use and infrastructure planning within the context of financial demands and available resources.

BACKGROUND

Public Streets represent the largest capital investment for the city and the maintenance of this asset is vital in ensuring that the goals and objectives cited above are achieved. The pavement management system that the city is working to complete will consist of five components:

- An automated inventory of all pavements displayed through the City's GIS System
- An automated maintenance history
- The regular collection of pavement condition data
- The sorting and storing of this data on a computer database
- The analysis of repair or preservation strategies that maintains optimum pavement conditions.

An automated inventory and maintenance history has already been developed and is used on a daily basis to manage a variety of pavement maintenance functions. This engineering services contract will provide a complete inventory of pavement condition and distresses on up to 900 centerline miles of asphalt pavement road surfaces within the city. Pavement distresses indicate the condition of the pavement structure and surface quality. The contractor will analyze pavement distresses and assign a pavement condition index rating to each segment, including intersections. The contract also includes the installation of GBA Master Series pavement management software and training of city personnel to maintain and operate the software. The pavement management software will use the condition evaluation data to determine the appropriate pavement preservation/restoration

Action Taken _____

ANALYSIS & ASSESSMENT

technique and schedule, to best use, available pavement maintenance funding.

A recent departmental assessment report recommended that an optimum pavement management system should be completed. The report indicated that the city needed to acquire pavement management decision software and assign personnel to quantify pavement distresses that are used to determine condition ratings. This contract will enable the city to complete full development of a pavement management program without investing additional city employee hours.

The city's Information Systems and Field Services divisions have developed software to effectively store and manage public road inventory and maintenance history. This data includes the age, surface thickness and surface types for all sections of roads. The next step in effective pavement management is the assignment of each road segment's pavement condition index, which is then used to determine the appropriate pavement maintenance applications: where to apply, what form of application and the timing of the improvements.

In phase one of the contract, the engineering firm will inventory and analyze distresses, and assign a Pavement Condition Index (PCI) rating to each road segment, totaling up to 200 centerline miles of major roads. Major roads will be rated in two passes for a total of 400 test-miles. Phase two will inventory, analyze and rate up to 700 miles of residential roads, producing a PCI for each group of local street maintenance segments.

Contract process and terms.

A Request for Proposal for this Pavement Management Data Collection project was issued to over 70 engineering firms on November 27th 2002. The city received proposals from 5 engineering firms and, after a review by a panel of city staff, two firms were invited for oral interviews. These firms were:

Stantec Consulting Inc

IMS -Terracon.

The two firms were evaluated based on their capabilities and experience, knowledge of the project features, the firm's suggested approach to performing the contract tasks, and project schedule. Based on this selection criteria, IMS-Terracon was selected as the best qualified consultant to perform the tasks required for the project. The rankings from the interviews are shown on Attachment 1.

Significant issues to be addressed.

In order to provide an effective pavement management system it is important that the existing condition of the pavement be inspected on a regular and routine basis. This contract will enable the city to do this in an automated fashion as opposed to the visual method employed to date.

Policy implications.

It is important that on-going maintenance of city streets is performed utilizing the best available technology that will enable sound budget recommendations.

Community involvement.

Traffic will not be subject to any major travel disruptions through the employment of 'automated' quantification of pavement condition distresses. IMS-Terracon will provide the necessary equipment to gather distress inventory while driving road segments at the posted speed. The inclusion of pavement maintenance decision software will virtually eliminate the subjectivity of any city employee analyzing pavement conditions and will, additionally, reduce city staff-hours necessary to prepare annual pavement management priorities and budget requests.

RESOURCE IMPACTS

Available funding.

Funds for this contract will be drawn from the Field Services annual street overlays and maintenance budget. The proposed FY 03-04 budget amount for all activities is \$5,044,647. The funding for this contract will be disbursed over the following three fiscal years as follows:

Phase One: Major road pavement condition rating \$105,522.50
These funds are included in the operating and maintenance
Budget request for FY 03/04

Phase Two: Residential pavement condition rating \$122,500.00
These funds will be available in future operating and maintenance budgets in FY 04/05 and FY 05/06.

Future budget implications.

The pavement condition evaluations will need to be updated and refreshed on a five-year cycle at an estimated cost of \$50,000. These future funding requirements will be included in the overall pavement management budget requests.

Staffing, workload impact.

This contract adds no personnel to the city payroll.

OPTIONS & STAFF RECOMMENDATION

Description of Option A:

Maintain pavement management as currently operated: Schedule pavement maintenance efforts according to expected life-cycles of the pavement's last treatment, with cursory inspections of prospective maintenance candidates, as time allows.

Description of Option B:

Hire and/or train city personnel in the art of pavement condition analysis, and build the appropriate software to manipulate pavement distress data through decision trees to determine pavement condition index and indicate appropriate pavement treatments.

Recommended Approach:

It is staff's recommendation to award this contract. Accurate and timely pavement condition assessment is crucial to an efficient management system. This contract, if approved, will provide a most vital component of the pavement management system.

RESPONSIBLE DEPT(S)

Municipal Services, Capital Project Management

STAFF CONTACT(S)

Rod Ramos, Field Services Manager.
rmos@ci.scottsdale.az.us (480) 312-5641
Alex McLaren, Construction and Design Director
amclaren@ci.scottsdale.az.us (480) 312-7099

APPROVED BY

Al Dreska
Municipal Services General Manager
adreska@ci.scottsdale.az.us (480) 312-5555

Date

Carder Hunt Chief Information Officer chunt@ci.scottsdale.az.us (480) 312-2795	Date
---	------

Roger Klingler Assistant City Manager rklingler@ci.scottsdale.az.us (480) 312-5830	Date
---	------

ATTACHMENTS

1. Consultant Selection Matrix
2. Engineering Services Contract 2003-103-COS

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Neighborhoods

SUBJECT

Construction Bid Award for La Mirada Desert Park

REQUEST

Authorize Construction Bid Award No. 03PB099 (consisting of the Base Bid plus Bid Alternate 1) to Archon, Inc, the lowest responsive bidder, at their lump sum bid of \$411,000.00 for construction of the final phase of La Mirada Desert Park located just east of the La Mirada Commercial Center at the northeast corner of Pinnacle Peak and Pima Roads. (See attached Project Location Map)

Related Policies, References:

- * Council authorization of Architectural Services Contract No. 2000-147-COS for La Mirada Desert Park.
- * Design Development Review, Case # 7-UP-1998#2
- * Approval of Municipal Use Master Site Plan by the City Council on 08/21/01
- * Reciprocal Parking and Access Easement Agreement No. 2002-134-COS.

BACKGROUND

La Mirada Neighborhood Park was originally identified in the *Parks Master Plan, Vision 2010*, and included in the Facilities Element of the General Plan in 1991.

In 1998, Desert Troon Limited dedicated approximately 9 acres adjacent to the La Mirada Commercial center to serve as this public park site. In July 2000, a license agreement was approved between the City and the *Desert Center at Pinnacle Peak*. Mrs. Florence Nelson, the President of the Desert Center, agreed to donate materials for the nature trails, picnic ramadas and all of the plant material to the City for use as a public park and educational center. By December of 2000, Phase I of La Mirada Desert Park was complete with a 2,700 square foot building with three meeting rooms and a 9-acre desert botanical garden

The Desert Center conducts educational programs for Scottsdale children about the Sonoran Desert, its flora and fauna, desert survival skills, and basic first aid.

Prior to the time the Desert Center programs began, several parents requested staff to expedite the next phase of development. They had children who would enjoy a playground and small turf play area. Staff was able to accelerate Capital Improvement funding and shortly thereafter design for the final phase of the park began. Since then, a careful planning and design process ensued to convert the remaining 2 acres of the La Mirada site into a playground, picnic area with ramada and lighted basketball court situated in the natural desert surroundings.

Extensive planning, design, and public input have taken place since the contract with

Action Taken _____

the design consultant was awarded in August of 2000. Presentations to the Parks and Recreation Commission, Planning Commission, Design Review Board and public have all taken place, including a negotiated agreement with the neighboring church developer to facilitate public and emergency vehicle access.

The final design incorporates many of the suggestions received through public input for the final phase of park development on this site. This will be the first neighborhood park completed north of Pinnacle Peak Road. The Parks and Recreation Commission approved this plan on December 20, 2000, and the City Council approved the Municipal Use Master Plan for this park on August 21, 2001.

ANALYSIS & ASSESSMENT

Recent staff action.

Bids for the construction project were opened on May 20, 2003 at 3:00 p.m. Bids were received as follows:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alt. 1</u>	<u>Total</u>
Archon, Inc.	386,000.00	25,000.00	411,000.00
Valley Diamond	399,433.00	34,316.00	433,749.00
Valley Crest	407,000.00	28,900.00	435,000.00
Visor, LLC	412,250.00	30,200.00	442,450.00
Chaparral Constr.	424,000.00	32,600.00	456,600.00
Baseggio & Co.	421,703.00	39,550.00	461,253.00
Niche Contr.	430,000.00	36,507.00	466,507.00

The recommended bid award consists of the base bid and alternate 1 (small storage building). The bids received, including bid alternate, are within the available budget for this project. Bid alternate 1 is recommended for award. This contract provides 180 calendar days for construction of this project.

Another bid was received for this project from a contractor whose license was determined to be improper for the scope of work to be constructed for this project. The State Registrar of Contractors issued that determination. Therefore, that bid is not listed above since the bid is deemed to be unresponsive.

The Purchasing Director confirms that the procurement procedures provided by the City Code have been followed. The C.I.P. Coordinator concurs that funds are available to authorize this contract.

Community involvement.

A neighborhood meeting was held in November 1999 and a Parks and Recreation Commission meeting was held in December 1999 to establish the desired criteria for the park design. Based on the input, the consultant prepared three conceptual plans, which were presented to the neighbors on October 19, 2000 at a neighborhood meeting at the La Mirada community building. At that meeting, neighbors voted on their favorite concept. The plan showing a lighted basketball court, along with playground, turf area and ramada was the favored plan

RESOURCE IMPACTS

Available funding.

Funding for this project is available from CIP Account 402-P9916 (La Mirada Desert Park).

Staffing, workload impact.

No additional staff is planned for the facility. This is the final phase of a facility that has been in operation since 1999.

Maintenance requirements.

The present staff assigned to the botanical garden and existing community building will provide maintenance. Minimal utility costs for the lighted basketball court and mowing for the ¼ acre of turf is included in the existing Parks, Recreation and Facilities budget.

**OPTIONS & STAFF
RECOMMENDATION****Description of Option A: Award the Contract.**

Award construction contract to the lowest responsive bidder and complete the final of phase of this park.

Description of Option B: Deny award of the Contract.

Do not award the contract and complete the park at a later time when the economy improves.

Recommended Approach:

Option A - Award the contract. The public asked for this park to be completed in a timely manner and are looking forward to the children's amenities in this area of the City.

**RESPONSIBLE
DEPT(S)**

Municipal Services Department/Capital Project Management
Community Services Department/Parks, Recreation and Facilities

STAFF CONTACTS

Marek Urbanek, CPM Project Manager, (480) 312-2563

murbanek@scottsdaleaz.gov

Gary Meyer, Parks/Trails Planning Manager, (480) 312-2357

gmeyer@scottsdaleaz.gov

APPROVED BY

Al Dreska Municipal Services General Manager adreska@scottsdaleaz.gov (480) 312-5555	Date
--	------

William J.S Exham, Jr. Community Services General Manager bexham@scottsdaleaz.gov (480) 312-2377	Date
---	------

Roger Klingler Assistant City Manager rklingler@scottsdaleaz.gov (480) 312-5830	Date
---	------

Barbara Burns Assistant City Manager bburns@scottsdaleaz.gov (480) 312-2599	Date
--	------

ATTACHMENTS

1. Phase II Master Plan and Location Map

SUBJECT Scottsdale's Convention and Tourism Destination Marketing Program

Related Policies, References:

Inception

Current Status

Action Taken

The SCVB has attracted and retained the qualified and experienced staff responsible for the successful implementation of previous City contracts for destination marketing. As described in the attached “Destination Marketing Guide/2003-2004” (Exhibit “A”) the SCVB staff’s experience and expertise will be augmented by the use of increasingly sophisticated market research and technology (Intelligent Response and Interaction System) that provides the means to more effectively identify target markets, and to increase the number of potential overnight visitors to Scottsdale.

Summary of Proposed FY03-04 Agreement

The terms and conditions in the attached contract are substantially the same as the contract in effect for FY02-03. The primary difference is the incorporation of the two amendments that were added during FY02-03, specifically the Fiesta Bowl Marketing Agreement (Exhibit D of the contract) and Culture Quest (Exhibit E of the contract). The attached Fiscal Year 2003-2004 recommended contract therefore contains three program elements:

1) Destination Promotion	\$4,185,000
2) Scottsdale Culture Quest	770,000
3) Fiesta Bowl Agreement	<u>70,000</u>
Total	\$5,025,000

The terms of the SCVB contract call for an annual audit, periodic monitoring by the City’s contract administrator and an annual report with performance measures to evaluate the program’s results.

ANALYSIS & ASSESSMENT

Destination Promotion - \$4,185,000

The Tourism Development Commission, the Scottsdale CVB Board of Directors as well as the SCVB’s Sales and Marketing, Arts and Culture and Golf Committees have all participated in the development of the proposed Destination Marketing Plan and the associated budget. Staff has reviewed the attached Destination Marketing Plan and the proposed budget and finds them consistent with Ordinance Nos. 2045 and 2049 (as amended), and with the Hospitality Marketing Strategy Study 2000-2004 conducted by Economics Research Associates, Inc.

The Plan is also responsive to the Scottsdale’s tourism industry’s current needs due to increased supply and competition in the local marketplace, along with the effects of the current economic and geopolitical conditions,

It is therefore noteworthy that, according to the Smith Travel/Warnick 2002 “Market Penetration/Supply-Demand Growth 1996-2002” report, Scottsdale’s market share against it’s competitive set increased one percent in calendar year 2002, reversing three years of nearly flat or declining market share. This would seem to suggest that the marketing efforts are producing positive results, and that the momentum needs to be maintained.

Cultural Tourism Promotion and Marketing - \$770,000

In 2002, the Arts and Culture Advisory Committee of the SCVB, co-chaired by Jinger Richardson of Legacy Gallery and Frank Jacobson of the Scottsdale

Cultural Council proposed a program to capitalize on one of Scottsdale's best-known but under-marketed assets, that of an arts and cultural center.

With over 100 art galleries, numerous cultural festivals, Frank Lloyd Wright's Taliesin residence, a branch of the Heard Museum, access to the Native American culture, along with many other facets of "cultural tourism", Scottsdale clearly has the product to promote.

"Culture Quest", Scottsdale's cultural tourism program, was inaugurated in January, 2003 as a partnership between the marketing expertise of the SCVB, and the SCC's programming resources. The result is an innovative marketing product whose goal is to increase awareness of Scottsdale's identity as an arts and cultural activity center ultimately resulting in increasing the number of tourists to Scottsdale. In less than one year of operation, Culture Quest has quickly evolved into a "brand identity" that has provided a competitive edge in the marketplace. Of the total request for \$770,000, \$620,000 is for advertising, public relations, and promotional activities.

The tours and excursions components of the program were not as successful in year one as the marketing efforts, but as is true for most first-time programs of this magnitude, it takes time to become established and for the benefits to be fully realized. The 73 tours and excursions offered in the 2002-2003 program provided in-depth, "behind the scenes" or hands-on experiences with a variety of Scottsdale artists and cultural venues. Participants rated the experiences highly, but tour sales were significantly less than anticipated.

Therefore, tour pricing, frequency and tour content and activities are among the factors being evaluated and modified for the 2003-2004 program. Further, any tours that are offered in conjunction with Culture Quest 2003-2004 will be handled through private tour operators at no expense to the City.

By far the most successful of the programming elements was the "Native Trails" cultural and dance program. Interaction with Native American culture consistently ranks as one of the most highly desired visitor activities. Culture Quest provided this opportunity through the Native Trails performances three times per week in Downtown Scottsdale. The enthusiasm of visitors and residents alike who experienced these performances clearly mandated continuation of this uniquely Scottsdale opportunity. \$150,000 of the requested funding is allocated to the SCC for the Native Trails program.

The "growing pains" and learning experiences of the first year of operation have provided the knowledge as well as the momentum to develop an increasingly effective arts and culture destination promotion campaign. Culture Quest's second year will continue to build on the product identity that has been created, to provide additional exposure into Native American culture and to promote the wide variety of the Scottsdale cultural tourism experiences to all segments of the tourism market.

The benefits of Culture Quest to the City and its tourism industry are anticipated to be fully realized over the next two to four years as the program continues to grow. They will be measured on an annual basis by the marketing performance tools used for the overall Destination Marketing program, along with visitor research surveys and web site inquiry questionnaires.

Fiesta Bowl Promotional Program - \$70,000

This program of work activity continues the four-year agreement initiated in FY02-03 for the purpose of ensuring that the City continues to benefit from the Fiesta Bowl's and Insight Bowl's positive economic impact. The promotional benefits to the City, along with the City's obligations are the same as those listed in the FY02-03 "Hospitality and Promotional Agreement, SCVB, and Fiesta Bowl" attached to the contract as Exhibit "D" (the "Fiesta Bowl Agreement") between the SCVB and Fiesta Events, Inc.

The January 2003 Fiesta Bowl hosted the national championship game, which according to the ASU W.P. Carey School of Business generated a record estimated \$153.7 million to the State of Arizona. In comparison, the 1999 national championship Fiesta Bowl game produced an estimated economic impact to the State of approximately \$133 million. Based on prior year Fiesta Bowl economic impact figures, Scottsdale's share was originally estimated to be between \$13.8 and \$24.4 million in revenue, and between \$244,000 and \$350,000 in direct revenue to the City in bed tax and sales tax. However, the 18% increase 2003 figures from 1999 would indicate that Scottsdale's share was proportionately higher than the original estimate. In addition to the spending and revenue, this arrangement will ideally increase the likelihood of continuing the Fiesta Bowl's affiliation with Scottsdale after the game relocates to the Cardinals new stadium in Glendale in 2007.

The authorization of \$70,000 would be the second of four expenditures as approved annually by the City Council through the budget process. City funding for the Fiesta Bowl promotional program would come from a combination of bed tax revenue (\$50,000) and the City's general fund revenues (\$20,000). The SCVB will also contribute funds as part of this agreement in the amount of \$120,000 over the four-year period. The four-year annual expenditures are shown in Table "A" below:

TABLE A:

Year	Bed Tax (\$)	General Fund (\$)	*In-Kind (\$)	Total (\$)
Year One (FY 02-03):	50,000	10,000	36,500	96,500
Year Two (FY 03-04):	50,000	20,000	37,960	107,960
Year Three (FY 04-05):	50,000	25,000	39,478	114,478
Year Four (FY 05-06):	50,000	25,000	41,057	116,057
Total City Commitment:	200,000	80,000	154,995	434,995

* 4 percent annual increase for in-kind contributions is included

Any extension of this contract beyond the initial four-year period would be subject to negotiation prior to the end of year four. If a mutually acceptable extension is not reached, the City would not be obligated to make the year-four cash payment of \$75,000, although it would still need to provide in-kind services.

Community involvement. The SCVB has conducted numerous task force meetings with representatives of the tourism community, specifically the Arts and Culture, Golf, Tourism Marketing and Event Marketing task forces to solicit their input regarding sales and marketing programs. Their direction is reflected in the attached FY03-04 Marketing Plan.

Additionally, the Destination Marketing program and budget were also discussed at several Tourism Development Commission meetings. These are public meetings with the opportunity for public comment to be taken. The Tourism Development Commission unanimously recommended the approval of the FY03-04 Destination Marketing and budget.

Public comment was also taken at the City Council's public budget hearings.

RESOURCE IMPACTS

Available funding.

The City's Financial Services Department is projecting a one percent decline in FY03-04 bed tax revenue. All requested funding is included in the City's FY03-04 adopted budget per the following allocations.

The \$4,185,000 Destination Marketing FY03-04 allocation would be paid from bed tax funds, as recommended by the Tourism Development Commission. This is the same amount allocated in the FY02-03 budget.

The \$770,000 allocation for Culture Quest would be paid from the City's general fund.

As was done in FY02-03, the \$70,000 Fiesta Bowl FY03-04 allocation would be paid from a combination of \$50,000 from bed tax funds, as recommended by the Tourism Development Commission and \$20,000 from the City's general fund.

Future budget implications. All future year funding for any or all of the three components would require annual approval by City Council through the budget process.

Staffing, workload impact.

No additional staffing or other resources are anticipated for the implementation of the Destination Marketing and Culture Quest components of the Agreement.

Approval of the Fiesta Bowl component would obligate the City to provide in-kind services which it already provides for the Fiesta Bowl teams. Services currently provided are the in-kind services of police escorts for the teams and park maintenance for team practices.

These services would result in overtime costs for the Police Department and Community Services. Police overtime needed to provide the in-kind services would not exceed \$30,000, and Community Services would not exceed \$2,500.

**OPTIONS & STAFF
RECOMMENDATION**

Recommended Approach: Enter in to a Sole Source Agreement with the SCVB continuing the current program. The SCVB has a proven performance record of results that benefit the City and its tourism industry, and the staff has the depth of product knowledge, the experience and the expertise to provide the most effective marketing program. Modifications or changes to the current program would not be supported by the SCVB membership or the Scottsdale tourism industry.

Further, an analysis of competing destinations shows that they do not engage in a competitive bidding system for these services, and all have some form of Convention and Visitors Bureau providing visitor services and destination marketing.

Proposed Next Steps:

Implementation of the Destination Marketing Plan in fiscal year 2003/04.

Economic Vitality Department, Tourism Development

STAFF CONTACT(S)

Kathy Carlisle O'Connor, Tourism Development Manager
7447 E. Indian School Road, Suite 200
Scottsdale, Arizona 85251
Phone: 480.312.7057 Fax: 480.312.2672
E-mail: kcconnor@ScottsdaleAZ.gov

APPROVED BY

Name	Date
David Roderique, General Manager 480.312.7601 Fax: 480.312.2672 E-mail: droderique@ScottsdaleAZ.gov	

Name	Date
Janet Dolan, City Manager 480.312.2422 E-mail: jdolan@scottsdaleAZ.gov	

ATTACHMENTS

1. Resolution No. 6323
2. Contract No. 2003-100-COS

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003

ITEM NO.

GOAL: Preservation & Character

SUBJECT Engineering services contract for the design and preparation of construction plans for the Hidden Hills Access Area (Trailhead) Amenities

REQUEST Authorize Engineering Services Contract No. 2003-099-COS, with Dibble & Associates in the amount of \$77,900.00 to design and prepare construction plans for the Hidden Hills Access Area (Trailhead). Approval of the requested action will create the first access area to serve the Preserve.

The purpose of the McDowell Sonoran Preserve is to maintain the environmental character of the land, to protect scenic views, to preserve habitat for wildlife, and to provide opportunities for appropriate public access and passive recreation use. The McDowell Sonoran Preserve Commission designated Hidden Hills as a 'minor community' access area to the Preserves. The McDowell Sonoran Preserve Access Area Report states minor community access areas allow up to 100 parking spaces with limited horse trailer parking, connection to multi-use trail(s), trail maps and signage, restrooms, ramadas and drinking fountains.

The Hidden Hills access area is two trailheads, north and south, along Via Linda at approximately the 144th Street alignment. The south site will accommodate parking for 16 cars and at most 4 pull-through horse trailers. The north site will accommodate parking for 30 vehicles. The following amenities will be available at both sites: trailhead maps, signage, ground level security lighting, drinking fountains and ramada. Since the Preserve Ordinance limits the use from sunrise to sunset, an automated control gate will restrict access to the parking area at both locations during evening and night hours.

Related Policies, References: This action directly supports City Council Broad Goal B: Preserve the Character and Environment of Scottsdale, and sub-goals under Goal B: Create access into the Preserve, and Create learning opportunities in the Preserve.

This project is consistent with the McDowell Sonoran Preserve Access Areas Report approved by the McDowell Sonoran Preserve Commission and accepted by the City Council in 1994 and updated in 1999, and the Conceptual Preserve Trails Plan approved by the McDowell Sonoran Preserve Commission and accepted by the City Council in 1998. This project is also consistent with the goals and objectives of the recently updated Trails Master Plan.

The Trails Master Plan provides guidance for the location and character of unpaved trails throughout the community outside of the McDowell Sonoran Preserve. There is a strong linkage and seamless connection between trails outside of the

Action Taken _____

Preserve and Preserve trails and trail-heads. The Preserve serves as a major trail destination in the community.

The draft McDowell Sonoran Preserve Access Area Design and Site Standards Manual (undergoing final community review) prepared by Floor and Associates under Professional Services Contract No. 2002-094-COS, will be the basis for preparation of the construction plans for access area amenities, including the Hidden Hills Access Area (Trailhead)

The Preserve Ordinance approved by City Council in May 2000, establishes general rules and regulations for activities in and use of the McDowell Sonoran Preserve. Provisions of this ordinance will manage public use of access areas and of trails traversing the Preserve.

The City has received an Arizona State Parks Heritage Fund Grant for installation of access area (trailhead) amenities and the construction of the Preserve trail (Sunrise Trail) which originates from this access area. The City has also received funds from Arizona Game and Fish to install interpretive shade ramadas to serve the Preserve, one of which may be installed in this location.

BACKGROUND

The McDowell Sonoran Preserve currently consists of 10,856 acres. The vision is to preserve 36,000 acres, or nearly 1/3 of the city, in as natural a state as possible for habitat and for appropriate passive recreation. The vast majority of the land remaining to be considered for acquisition is State Trust land. As the Preserve effort transitions from land acquisition to land management, attention will focus on providing amenities to support appropriate public access and use. Currently, one trail is officially opened in the Preserve supported by remote parking in McDowell Mountain Ranch and temporary parking along the shoulders of 124th and 128th Streets. Hidden Hills will be the first access area improved by the City to serve the Preserve.

The McDowell Sonoran Preserve Access Areas Report identifies generalized locations for public access areas in the Preserve, describes the different levels of public access areas, and identifies the range of amenities that would be included in each level of public access area. The overall objective is to create sufficient strategically located public access areas within, but on the periphery of the Preserve, with amenities limited to those necessary to accommodate a variety of passive recreation activities. Locations are spread throughout the planned Preserve to limit the impact on any one particular area.

Provision of this access area (trailhead) was a stipulation of zoning case 25-ZN-97 that was approved in 1998. In accordance with the stipulation, the developer, SunCor Development Company, dedicated land to the City for the access area and provided funds for the installation of access area amenities as part of the Via Linda Community Facilities District (CFD).

A minor community access area in the Hidden Hills (Eagle Ridge) area is identified in the report. The developer of Hidden Hills identified specific locations to accommodate the identified access needs as part of the zoning approval process for the Hidden Hills residential subdivision. The access area was split into two sites, both have been dedicated to the City, and an easement has been granted across privately owned Preserve land for a trail to connect the access area to the

ANALYSIS & ASSESSMENT

Sunrise Trail (partially constructed) in the Preserve. The developer of Hidden Hills also allocated \$100,000 in the Via Linda CFD for access area (trailhead) amenities. This payment was used to partially fund the current CIP Account.

The design and construction of the access area (trailhead) will be based on the draft McDowell Sonoran Preserve Access Area Design and Site Standards Manual. The manual identifies the look, feel, materials and character of planned access area amenities.

The location of the access area is consistent with the McDowell Sonoran Preserve Access Area Report. The access area provides access to the citywide multi-use trail system identified in the Trails Master Plan and in the Conceptual McDowell Sonoran Preserve Trail Plan approved by the McDowell Sonoran Preserve Commission.

Provision of this access area was a stipulation of zoning case 25-ZN-97 that in 1998 approved the Hidden Hills development. Land has been dedicated to the City for the access area and an easement provided for a trail through privately preserved land, and through the adjacent major wash corridor.

The Via Linda CFD completed construction of Via Linda Road from 136th to 144th Street in 1998. Included in the CFD was \$100,000 to assist in the design and construction of amenities at the Hidden Hills Access Area (Trailhead).

On October 23, 2000, Capital Project Management staff solicited proposals for a design contract from architectural and engineering consultants. Three proposals were received on November 8, 2000. Final award of contract was delayed until the project budget was increased. A panel of five City staff members reviewed all proposals and evaluated the firms on their capabilities and experience, approach to the project and schedule, their knowledge of the vision for the preserve, and active contracts currently held with the City. Based on results of the evaluation, Dibble & Associates was selected. The results of the evaluation process are listed on Attachment No. 3.

The Purchasing Director confirms that the procurement procedures provided by the City Code have been followed. The CIP Coordinator concurs that the funds are available for this contract.

Significant issues to be addressed. Construction documents for this project must be prepared in conformance with ESLO guidelines. The construction contractor's activities will require close supervision to minimize any unnecessary damage to the surrounding desert areas.

Community involvement. Scottsdale citizens initiated the preservation of Scottsdale's McDowell Mountains and Sonoran Desert in 1990. The McDowell Sonoran Preserve is supported by five public votes. Two citizen task forces, the McDowell Mountains and the Desert Preservation, have been involved in identifying land for inclusion in the Recommended Study Boundary and in developing implementation strategies. The McDowell Sonoran Preserve Commission used the work of both task forces as a foundation for the formulation of specific implementation recommendations to the City Council.

The McDowell Sonoran Preserve Commission developed both the Access Areas

Report and the Conceptual Preserve Trails Plan with extensive active participation from user groups and other interested individuals. Joint meetings with the Parks Commission were conducted to receive input from that body on access area and trails planning.

Preservation and Community Services have been communicating with interested individuals since lots have been offered for sale in Hidden Hills. Coordinating closely with City staff, the developer installed a large sign early in the site work phase of the subdivision project at each access area location to notify interested individuals that a public trail-head will be located at these locations. The signs have stimulated numerous calls to staff inquiring about the trail-heads from prospective lot purchasers. Staff met with sales staff on numerous occasions to encourage them to communicate to prospective lot purchasers the plans for and character of the public access area. Information is included in the Subdivision Public Report indicating "...public hiking/equestrian trails and two trail-head parking facilities located immediately... are proposed to be completed and maintained..."

Numerous meetings and site walks have been conducted with individuals considering purchasing lots, and individuals that have purchased lots and have or are in the process of building houses. Staff met with the homeowner's association on March 19, 2003, to provide background on the project and to answer questions from attendees. As the construction plans phase for the Hidden Hills Access Area (Trailhead) is initiated and as it proceeds, additional public meetings and individual contact with area residents will occur. Although most existing neighbors and most individuals who have purchased a lot and are in the process of building a home in the area understand and accept the fact that an access area is going to be created, a few prefer that the access area location closest to their planned homes not be built.

The planning process for the Hidden Hills Access Area (Trailhead) amenities will require approval from the Preserve and Parks and Recreation Commissions and the Development Review Board. The Preserve and Parks and Recreation Commissions have tentatively scheduled a joint meeting in June to meet and discuss the design of planned amenities with staff and with Dibble & Associates.

RESOURCE IMPACTS

Available funding. Funds totaling \$499,600 are budgeted in CIP account 400 P0305 (Hidden Hills Trailheads/Amenities). The funding sources are:

- Contribution from Via Linda CFD \$100,000
- Bond 2000 Proceeds 399,600

In addition to the \$100,000 from the CFD, Scottsdale has received \$189,851 in matching funds from the Arizona State Parks Heritage Fund to support this project. The City also has secured \$30,000 from the Arizona Game and Fish Department for the construction of interpretative shade ramadas. Funds secured from non-City sources to support this project will potentially reduce the amount of bond funds required from the CIP.

Staffing, workload impact. Staff will manage the contract with Dibble & Associates, and additional public involvement processes that are planned to ensure area residents have an opportunity to participate in the design of the access area (trailhead). Once amenities in the access area (trailhead) are installed, the Preserve Manager will oversee Preserve Stewards in carrying out the minimal maintenance that will be required.

Maintenance requirements. City Maintenance requirements for the Hidden Hills Access Area (Trailhead) will be low for two principal reasons. There will be limited amenities provided and most of the routine maintenance that will be required will be performed by Preserve Stewards from the McDowell Sonoran Land Trust that are assigned to the Hidden Hills area, working in cooperation with the Preserve Manager. It is estimated that the direct City cost to provide maintenance of the Hidden Hills Access Area (Trailhead) will be less than \$2,000 a year.

Future budget implications. The construction plans to be prepared by Dibble & Associates will be the basis for the installation of access areas (trailhead) amenities. Total estimated project cost is \$350,000 for the design and construction of the access area amenities, and \$150,000 for the construction of the Sunrise Trail.

OPTIONS & STAFF
RECOMMENDATION

Option A: Do not authorize the Engineering Services Contract to prepare construction plans for the Hidden Hills Access Area (Trailhead) amenities. Under this option, the engineering services contract would not be authorized. Provision of amenities in this access area (trailhead) would not be provided at this time.

Option B: Approve Engineering Services Contract No. 2003-099-COS with Dibble & Associates in the amount of \$77,900.00 for the design and preparation of construction plans for the Hidden Hills Access Area (Trailhead) amenities. This option would authorize staff to proceed with execution of the contract for the design and preparation of construction plans for the access area (trailhead).

Option C: Direct staff to seek additional proposals for the preparation of construction plans for the Hidden Hills Access Area (Trailhead) amenities. This option would direct staff to solicit proposals from additional architectural and engineering contractors to perform the required services.

Recommended Approach: Approve Engineering Services Contract COS No. 2003-099-COS authorizing staff to retain Dibble & Associates to prepare construction plans for Hidden Hills Access Area (Trailhead) amenities.

Proposed Next Steps: If City Council approves the Engineering Contract, Dibble will prepare construction plans for the access area. In approximately six months, City Council would be asked to consider a contract to install amenities in the access area as detailed in the construction plans.

RESPONSIBLE
DEPT.

Capital Project Management, Community Services, and Preservation Division

STAFF CONTACTS

Bill Peifer, Sr. Project Manager
480-312-2399 (bpeifer@scottsdaleaz.gov)
Robert Cafarella, AICP, Director,
480-312-2577 (rcafarella@scottsdaleaz.gov)
Gary Meyer, Parks/Trail Planner
480-312-2357 (gmeyer@scottsdaleaz.gov)

APPROVED BY

Al Dreska
Municipal Services General Manager
adreska@ci.scottsdale.az.us (480) 312-5555

Date

Bill Exham
Community Services General Manager
bexham@ci.scottsdale.az.us (480) 312-2377

Date

Ed Gawf
Deputy City Manager
egawf@ci.scottsdale.az.us (480) 312-4510

Date

Roger Klingler
Assistant City Manager
Rklingler@ci.scottsdale.az.us (480) 312-5830

Date

ATTACHMENTS

1. Location Map
2. Engineering Services Contract No. 2003-099-COS
3. Evaluation Matrix

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Fiscal Management

SUBJECT	ADOPT ORDINANCE #3512 setting the FY 2003/04 property tax levy and rate.
REQUEST	Adoption of the FY 2003/04 property tax levy and rate in accordance with Arizona Revised Statutes and the City Charter.
BACKGROUND	<p>Adoption of this ordinance approves the property tax levy and rate supporting the Adopted FY 2003/04 Budget. On June 2, 2003, prior to the Final Budget Adoption, a public hearing was held to solicit public input on the property tax levy, followed by City Council approval of a motion to consider adoption of this proposed property tax levy at the June 16, 2003 meeting.</p> <p>Per Arizona State Statute (Section 42-17107, Truth in Taxation) and the City Charter (Article 6, Section 7, Adoption of Ordinance Fixing Tax Rate), a public hearing on the tax levy must be held, if an increase in property taxes is proposed. Also, under state statute, if the property tax levy is increasing, the governing body is required to consider a motion to levy the increased property taxes by roll call vote, which was done on June 2, 2003.</p> <p>This legislation is applicable only to the “primary” portion of the property tax -- one component of Arizona’s two-tiered property tax system. The proposed primary tax rate for FY 2003/04 of 48 cents per \$100 of assessed valuation represents a decrease from the FY 2002/03 rate of 51 cents per \$100 of assessed valuation. The primary rate includes less than 2 cents for an additional \$.6 million in allowable tort liability claim payments made by the City in the prior fiscal year.</p> <p>Section 42-17107 of the Arizona Revised Statutes is not applicable to the secondary portion of the property tax rate. Under the proposed budget, the secondary rate will decrease from the FY 2002/03 rate of 65 cents per \$100 valuation to 64 cents per \$100 valuation in FY 2003/04.</p> <p>Therefore, citizens’ tax bills will reflect a combined property tax rate of \$1.12 in FY 2003/04, which is approximately 3 cents less than the combined FY 2002/03 rate. An owner of a home valued at \$100,000 will pay approximately \$112 in city property taxes.</p> <p>The Maricopa County Assessor’s Office, not the City of Scottsdale, determines real property values used to calculate property tax bills. For FY 2003/04, primary valuations increased 5.7% for existing property and 5.7% for new construction.</p>

	<p>The proposed property tax levy provides \$42.7 million in property tax revenue to support the adopted budgeted expenditures, including \$16.6 million (primary portion) supporting general fund expenditures, \$.6 million repayment to the self-insurance fund reserve to replace tort claim payments made in 2002, and \$25.5 million (secondary portion) in debt service payments for voter-approved general obligation bonds.</p>
ANALYSIS & ASSESSMENT	<p>The Citizen Budget Review Committee reviewed the budget process, including the assumptions surrounding property tax and all other revenue forecasts, proposed multi-year Capital Improvement Plan and provided their comments and recommendations to the City Council on May 5, 2003.</p> <p>During their April 3, 2003 special meeting, the Citizen Bond Review Commission reviewed the City's proposed multi-year Capital Improvement Plan, Bond 2000 issuance schedule and the resulting property tax rates. The Commission meets at least quarterly to review any proposed action related to the bond authorization including the progress of the program, bond issuance schedule, and estimated tax rates.</p>
RESOURCE IMPACTS	<p>The total proposed FY 2003/04 property tax levy is \$42.7 million. This total amount consists of a primary tax levy of \$17.2 million and a secondary levy of \$25.5 million.</p> <p>The FY 2003/04 primary property tax levy of \$17.2 million provides \$16.6 million to support General Fund activities such as police and fire protection, operation and maintenance of parks and libraries, and many other general governmental functions; and repays the Self-Insurance Fund approximately \$.6 million for tort liability claim payments made in calendar year 2002.</p> <p>The secondary tax levy of \$25.5 million, by law, is limited solely to supporting the debt service payments of voter-approved general obligation bonds issued to construct capital infrastructure such as police and fire facilities, parks, libraries, recreational facilities, streets, and drainage improvements.</p>
OPTIONS & STAFF RECOMMENDATION	<p>Maricopa County is the property tax assessing and collecting authority for the City of Scottsdale. A certified copy of the tax levy ordinance must be received by the County Assessor's Office no later than August 1, 2003. A tax levy public hearing was held on June 2, as required by the City's Charter, and customarily the City Council has adopted the tax levy ordinance on the third Monday in June, but adoption could occur at any regular or special meeting between June 10 (seven days after the public hearing per state statute) and July 31.</p> <p>Staff recommends Council adopt Ordinance #3512 setting the FY 2003/04 property tax levy and rate.</p>
RESPONSIBLE DEPT(S)	<p>Financial Services Department Administration Division Budget Division</p>
STAFF CONTACTS	<p>Craig Clifford, General Manager, (480) 312-2364 cclifford@ScottsdaleAZ.gov Art Rullo, Budget Director, (480) 312-2435 arullo@ScottsdaleAZ.gov</p>

APPROVED BY

Art Rullo Budget Director arullo@ScottsdaleAZ.gov , (480) 312-2435	Date
---	------

Craig Clifford Financial Services General Manager cclifford@ScottsdaleAZ.gov , (480) 312-2364	Date
---	------

Barbara Burns Assistant City Manager bburns@ScottsdaleAZ.gov , (480) 312-2599	Date
--	------

Jan Dolan City Manager jdolan@ScottsdaleAZ.gov , (480) 312-2422	Date
--	------

ATTACHMENTS

Ordinance No. 3512

CITY COUNCIL REPORT



MEETING DATE: 06/16/2003 ITEM NO. _____ GOAL: Fiscal and Resource Management

SUBJECT Adoption of 2003/04 tax levy on streetlighting districts.

REQUEST Adopt Ordinance No. 3514 levying upon the assessable property within each streetlighting district in Scottsdale an amount sufficient enough to provide funds to operate the districts for fiscal year 2003/2004.

BACKGROUND The City's streetlight districts were established beginning in 1971 to allow taxpayers residing in the benefiting area to pay for the operation and maintenance of the streetlights. The City currently has 355 streetlighting districts formed for the sole purpose of purchasing electricity for the lighting of public streets. Arizona Revised Statute §48-616 requires that the City Council annually adopt an ordinance levying a Special Taxing District property tax in an amount sufficient to pay the expense of operating each of the streetlighting districts located throughout the City. The ordinance is then transmitted to the Maricopa County Assessor who will add the required amounts to the property taxes in the district. The levy amounts, when collected by Maricopa County, are remitted separately to the City and are used to pay utility bills for the streetlighting districts.

ANALYSIS & ASSESSMENT Each streetlighting district is analyzed to ensure that the levy amount and any fund balance for that particular district are sufficient to pay the projected charges for the fiscal year while minimizing the impact of changes to the citizens. The levy request for 2002/2003 was \$480,475. The levy request for 2003/2004 is \$481,100.

RESOURCE IMPACTS There is no net fiscal impact to the City. Streetlight District utility bills are paid by the property tax levy. The levy request for 2003/2004 is \$481,100. There are 355 Streetlight Districts for which this additional property tax is levied.

OPTIONS & STAFF RECOMMENDATION The options and alternatives are limited as the streetlights are already in operation and are being maintained by the City. Arizona Revised Statute §48-616 requires that an ordinance be adopted annually in order to levy the tax.

RESPONSIBLE DEPT(S) Financial Services

Action Taken _____

STAFF CONTACTS

Craig Clifford, Chief Financial Officer, (480) 312-2364
cclifford@scottsdaleaz.gov

APPROVED BY

Craig Clifford
Chief Financial Officer
cclifford@scottsdaleaz.gov

Date

Barbara Burns
Assistant City Manager
bburns@scottsdaleaz.gov

Date

ATTACHMENT:

Ordinance No. 3514